

# New Jersey



## Assessors

## Bulletin



MEMBER  
International Association  
of Assessing Officers

Vol. 23, No. 4

November 1984

### PRESIDENT'S MESSAGE



It is hard to believe that it has been a year since I have taken office as President of the Association. The year has been enjoyable because of the co-operation given me by the members of our association.

During the year Chapter 220 was ruled unconstitutional by the courts but is being appealed by the Attorney General. The League of Municipalities will continue to defend its opposition to the law.

The legislator has approved an additional \$25,000 to the assessors' education fund. The Education Committee is meeting with Rutgers and the Local Property Tax Bureau about using the funds to sponsor seminars on specific assessment problems.

We were honored to have Barbara Brunner, President-Elect of the I.A.A.O., attend our Rutgers conference and hopefully she will attend the League of Municipalities in Atlantic City as the new President of the I.A.A.O.

The assessors insurance program has gone back to committee for study.

In August, Vicky Mickiewicz was appointed Secretary of the Association. The association will benefit greatly from Vicky's experience.

In closing, I look forward to the challenge of next year and the continuing co-operation of all assessors.

Stephen Kessler

### COURT VETOES TAX HIKE TO TENANTS

A three-judge panel state appeals court ordered Prudential Insurance Company to refund the tenants of a 600-unit apartment complex undergoing conversion to condominiums.

The court stated that Prudential improperly passed on increased real estate taxes to tenants when the value of the property went up.

Real estate taxes jumped from \$1.2 million to \$3.2 million when Prudential decided to convert the apartment complex to condominiums but the court said that "tenants who have no voice in and derived no benefit from the decision to convert" should not have to pay increased costs of a conversion.

About 185 tenants remaining in the complex during the conversion will share several hundred thousand dollars.



Joe Krupinsky and Barbara Brunner, IAAO.

## Become An S.M.A.

## **ATLANTIC CITY ASSESSORS PROGRAM**

**TUESDAY, NOVEMBER 13**

2:00 P.M. Room: Westminster A

Meeting Room Floor—Harrah's Trump Plaza

Presiding: VICKY MICKIEWICZ, Deputy Assessor,  
Dover Township

Speaker: G. FRED BURLAZZI, Appraiser

Topic: MARKET ADJUSTMENTS, INCLUDING  
CASH EQUIVALENCY

**WEDNESDAY, NOVEMBER 14**

10:00 A.M. Room: Chelsea "C"

Meeting Room Floor—Harrah's Trump Plaza

**ANNUAL MEETING—EXECUTIVE BOARD**

Presiding: STEPHEN J. KESSLER, President,  
Assessor, Winslow Township

11:45 A.M. Imperial Ballroom "A"

Meeting Room Floor—Harrah's Trump Plaza

**S.M.A. LUNCHEON**

(\$17.50 per person—BY RESERVATION ONLY)

Moderator: JOHN R. BALDWIN, Director, Division  
of Taxation

Speakers: JOSEPH J. SENECA, Chairman, Eco-  
nomic Policy Council of New Jersey; Chairman,  
Economic Department of Rutgers University  
STATE SENATOR GERALD R. STOCKMAN,  
District 15, Mercer County

2:00 P.M. **ANNUAL BUSINESS MEETING**

Presiding: STEPHEN J. KESSLER, President,  
Assessor, Winslow Township

Installation of 1985 Officers

Awards Presentation

**THURSDAY, NOVEMBER 15**

1:00 P.M. Room: 320—Third Floor, Convention Hall

Presiding: JOYCE A. JONES, Assessor, Man-  
chester Township

Speaker: WILLIAM J. McQUILLAN, JR., Real  
Estate Consultant

Topic: **SALES RATIO/EQUALIZATION PROCESS**

A practical study of the positive and negative  
elements and the consequences of the sales ratio and  
equalization process.

An analysis of the Page 8 formula.

Chapter 123 and its relationship to Coefficients  
of Deviation.

The time frame of the Sales Ratio Study and its  
effect on the local taxing district.

The New Jersey Association of Municipal  
Assessors will sponsor a Hospitality Room at Har-  
rah's Trump Plaza, on Tuesday, Wednesday, and  
Thursday evenings, which will be open continuous-  
ly from 5:00 P.M. to at least 11:00 P.M.

We are also looking for help serving in the  
Hospitality Room.

We hope you enjoy the conference.

## **Proper Handling of Certification Of Property Tax Deductions**

Recently our property tax deduction inspection teams have been examining form PD-65.10, the Certification on which the reporting of allowances and denials of deductions is made. In their visits, the inspection teams have encountered errors and misunderstandings in many districts.

It has become a common yet erroneous practice to report all claims for deduction (regardless of the time of year in which they were allowed or disallowed) as if they were handled in the last half of the year. As a result, the municipality must wait one year for reimbursement for these deductions.

PD-65.10 specifically provides for the reporting of allowances and denials made during the current tax year from January 1 to May 31 (Lines 2 and 4), thus enabling the State to reimburse a taxing district during the current year for those deductions granted within this time period. Claims affected in the latter half of the tax year are reimbursed in the following year (Lines 3 and 5).

To facilitate the completion of PD-65.10, all claims should be processed in a timely manner. In addition, a supplementary record should be made showing the block and lot, name, type of deduction allowed or disallowed, and the date. This will ensure the accuracy of PD-65.10 as well as timely reimbursement.

The Local Property Branch has devised several demonstration sheets to aid in the uniform recording of allowances and disallowances and in preparing the PD-65.10. These sheets also contain sample supplementary records and diagrams to show the proper method of reporting all pertinent information. Call the Branch at (609) 984-3275 for this material.

## **Proration of Property Tax Deductions**

In the past, there has been some concern as to the specific instance where senior citizens, disabled persons and their surviving spouses who qualify for the property tax deduction have moved from their dwelling house during the tax year to purchase another principal place of residence. The law and prior regulations have provided that such a deduction be prorated when a sale or transfer of title to the dwelling house occurs; however, the law did not address the issue of change in principal residence.

It has been legally determined that residence in the dwelling house throughout the year in which the deduction is granted is a requisite to eligibility. Accordingly, Regulation 18:14-3.9 has been amended to provide that a proration is also required when a claimant moves from his dwelling house during the tax year and purchases another principal place of residence.

## LEGAL CORNER

**Stem Brothers, Inc. v. Alexandria Tp.—Risky Business**

In a recent Tax Court decision which has been approved for publication (*Stem Brothers, Inc. v. Alexandria Tp.*), Judge Conley held that nine fuel oil storage tanks, four of which were below ground, were business personal property and not subject to assessment for real property tax purposes. In order to appreciate the potential implications of this opinion, a description of the tanks is in order.

One of the above ground tanks stands 28 feet in height, has a diameter of 30 feet and a capacity of 150,000 gallons. The tank was transported to the site in sections, assembled by welding and rests on a 3/4" bed of gravel. With respect to each of the five underground tanks, a hole was excavated in the ground, the tank installed over a bed of sand and, after refilling the hole, a concrete pad was poured around the filler neck. According to the undisputed evidence, there was virtually no market for resale of these tanks because of the possibility of corrosion and leakage. The remaining above ground tanks were transported to the site fully assembled and laid upon steel cradles which were fastened to concrete pads beneath them. The evidence established that these tanks could be lifted off the cradles by crane and removed by truck in a single day.

All business property is taxed by the state pursuant to N.J.S.A. 54:11A-1 et seq. However, the definition of business property excludes:

"Goods and chattels so affixed to real property as to become part thereof and not to be severable or removable without material injury thereto."

Relying upon *Bayonne v. Port Jersey Corporation*, 79 N.J. 367 (1979), the court found all nine tanks to be personal property not subject to assessment because their removal from the premises would not do "irreparable or serious physical injury or damage to the freehold."

Since the "freehold" in the case of the underground tanks is the surrounding soil itself, query what would constitute irreparable injury in a case such as this. Moreover, if the removal of the underground tanks causes no injury to the freehold, then why should removal of concrete footings used to support the above ground tanks be treated any differently. Yet the court found these to clearly be real property.

Lastly, with respect to the large above ground tank, it too was declared to be personal property not-

## From CLT/RPA — Appraisal Software for Microcomputers

A municipality too small to justify a computer?

No such thing anymore. Today's state-of-the-art microcomputers offer an unbeatable combination: efficiency, versatility, and cost-effectiveness. A micro will not only streamline appraisal functions, but many administrative tasks as well.

We'll show you why "microcomputer" is the buzzword of the eighties. Write or call us today.

## Real Property Appraisers

a division of Cole-Layer-Trumble Company



2800 Route 130  
Cinnaminson, NJ 08077  
609/829-3131



withstanding that its removal would necessitate cutting it into sections with a welder's torch at the risk of its possible destruction.

If this decision is permitted to stand, the potential exists for declaring massive refinery or fuel storage installations to be personal property, not assessable by the local taxing district.

Edward Rosenblum

## MOD IV SYSTEM: CODING OF PIPELINE PROPERTIES

A need exists for easily identifying gas and oil transmission lines in the MOD IV System. In the past, the Division has requested that these pipelines be assigned a 900 block identifier. However, this has not been practiced uniformly throughout the State. As a result, this information has become difficult to extract from the tapes used to generate the tax lists.

The Branch requests that all gas and oil transmission pipelines be coded with the word "PIPE LINE" as a block designation. Any lot designation currently in use will remain acceptable.

As this block designation change is implemented, pipeline properties will be easily identifiable on the 1985 Tax Lists.

A slander is like a hornet; if you can't kill it dead at the first blow, better not strike at it.

## LEGISLATIVE REPORT



At a recent hearing of the Senate County & Municipal Government Committee, bills S-1510 and A-543 were scheduled for review by the committee. These proposals mandate that during revaluations copies of appraisals for each item of property be provided the taxpayer within a 30-day period after the physical inspection. I have discussed these bills at great length with the Chairman of the committee, Senator Van Wagner and his feelings were that because of the large agenda scheduled for that day, they would not be able to review those bills then. However, that would not preclude the chance that they would not be reviewed at the next scheduled hearing, whenever that would be. Chances are that at the time this report is being read, something may be resolved about the provisions of those bills.

Since the legislature has been in a summer recess not too much has been happening except for the continuous hearings held by the Property Tax Assessment Study Commission. Being a member of that commission, I have been privileged to hear of the many problems and situations that have been allowed to take place over the years and boggled the minds of many district assessors. Bear in mind that I am not extolling the virtues of the district assessors. I am only relating how an attitude can formulate and then grow uncontrollably.

It is my intent to show in this report how processes inaugurated by certain levels of government in their attempt to right a wrong may inadvertently result in making other "rights" become wrongs. For example, municipalities, in their zest to add a level of sanity in controlling the tenants' rents in some apartments, may inadvertently cause a shift in the burden of taxation if the taxes due on that apartment is also controlled by the courts as a result of a suit for relief by the apartment owners.

If I were able to choose a title for this report, I would title it "Who Cares?" because surely that could have been the answer when this problem first began to surface.

Another example of the very latest of the assessor's problems is the divestiture of AT&T which has very seriously affected the tax return on tangible personal property owned by the Bell System. Assessors in many areas of N.J. have frantically tried to find out the cause and hope for a remedy to this vast municipal tax loss.

Hearing none, the latest "Who Cares" may be the response. I know that many assessors immediately calculated the estimated tax loss and the

response to this loss would be unprintable. Although the late President Truman often said "The buck stops here", I quickly passed mine on to my Finance Officer since he would be very much concerned with the loss in tax dollars.

Some of you readers may be saying at this moment "Who Cares" about this loss in the tangible personal property tax: This is something they can't blame on us. True, this is something that they can't blame on us, but how many more "Who Cares" will it take before the situation concerning tangible personal property becomes uncontrollable?

At a recent symposium conducted at Rutgers in Newark on "Revaluations and Its Impact on New Jersey Communities" I heard mentioned many different inequities that have been allowed to occur over the years which the authors of these statements felt greatly contributed to the negative impact of revaluations on many communities. I have heard statements made that the method currently being used in assessing property in Newark is so outmoded that perhaps the salvation for the City lies in some complete new method of apportioning the burden of the City's operating budget. I have heard proposals made which range from taxation by property classification to Land Value taxation only. These proposals, whether they are valid or not, were not the paramount thought in my mind. What I was concerned with was that whatever new system was proposed, how many "Who Cares" would it take before the new system becomes eroded. Statements made indicated that none of the three branches of government escaped having to assume the blame for contributing in some way to this erosion, beginning with the Legislature and their enactment of increasing exemption laws which always adds for just "one more" exemption and results in just one more "Who Cares". The result is that the City of Newark and many other communities are over 50% exempt. Many felt that this factor contributed to the negative impact on revaluation.

A finger of blame was pointed at the Judiciary because of certain court decisions.

The Executive branch of the government also did not escape because of the anticipated loss in gross receipts and public utility tax at a time when municipalities were hard pressed to remain in the limitations imposed by the 5% Cap Laws.

Other references to the reason for the negative impact on revaluations was the rules and regulations used for promulgating the Director's District ratio. Any challenge to that ratio was met with another version of "Who Cares" and that is "So What." You have a minimum aid district anyway." Mention was made that the challenge was not for school aid pur-

(continued on next page)

**Legislative continued**

poses, but for the use of the ratio in discrimination cases involving Ch. 123 and its upper and lower limits of value.

If you sum up all the "Who Cares" mentioned herein, they are only a very few of the many that probably have been mentioned over the years. You, as you are reading this report, may not be as affected by all this as I have been and may also add your "Who Cares" to this report. If so be it, then go ahead, but I do know that the situations in which property assessment contribute to the negative impact on revaluations requires absolute attention. I wish that I had some answers to some of the problems, but I don't. I am raising the point because I strongly feel that sometime in the very near future the assessors throughout New Jersey will be called upon to provide, through their involvement in the revaluation program, some positive recommendations that will either reduce or remove the negative impact of revaluations. I feel very confident that the assessors will rise to the occasion.

George C. Harraka

**SENATE, NO. 1881**

An act concerning deductions from real property taxes and amending P. L. 1963, c. 171 and P. L. 1963, c. 172.

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

1. Section 8 of P. L. 1963, C. 171 (C. 54:4-8.17) is amended to read as follows:

8. No person shall be allowed a veteran's deduction from the tax assessed against his real and personal property of more than \$50.00 in the aggregate in any one year, but a veteran's deduction may be claimed in any taxing district in which the claimant has taxable property and may be apportioned, at the claimant's option, between two or more taxing districts; provided, such claims shall not exceed \$50.00 in the aggregate. If a widow, as herein defined, shall herself have been honorably discharged or released under honorable circumstances from active service in time of war in any branch of the Armed Forces of the United States, she shall be entitled to a veteran's deduction for each status. The veteran's deductions herein provided shall be in addition to any exemptions now or hereafter provided by any other statute for disabled veterans or widows as herein defined, and in addition to any deductions provided under P. L. 1963, c. 172 (C. 54:4-8.40 et seq.) for senior citizens and the permanently and totally disabled, and certain surviving spouses thereof, to which the claimant is entitled. In addition, a claimant may receive any homestead rebate or credit provided by law.

**Appraisal Surveys, Inc.**

**Real Estate Appraisers  
and  
Consultants**

- Providing Revaluations, Reassessments, Added Assessment and Tax Appeal Services for New Jersey Municipalities Since 1958.
- Over 70 Municipal Wide Revaluations Conducted by Full Time Professional Staff.
- Client List, References, and Qualifications Available Upon Request.

1500 KINGS HIGHWAY N. 609-428-3272  
CHERRY HILL, NJ 08034 609-428-3273

**P. L. 1984, CHAPTER 67**

An act concerning the revaluation of real property in certain municipalities.

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

1. Notwithstanding the provisions to the contrary of any law, rule, regulation or judicial order, 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 1984 tax year. 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 this act.

2. At the request of a municipality that, pursuant to section 1 of this act, does not implement a revaluation of real property for the 1984 tax year, the State Treasurer shall have the authority to extend the temporary moratorium of the implementation of the revaluation for the 1985 tax year, upon the Treasurer's determination that an extension of the moratorium is in the best interest of the municipality. The municipality shall make its request for the extension to the State Treasurer on or before January 1, 1985. The Treasurer shall inform the municipality of his decision on or before January 31, 1985.

3. This act shall take effect immediately.

# Association of Municipal Assessors of New Jersey

## NEW JERSEY ASSESSORS BULLETIN

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

Quarterly Publication

### OFFICERS

President—Stephen Kessler  
 Vice Presidents—Robert Ebert, Carolyn Landi,  
 James Terhune, Robert Pastor,  
 James Andrea, Joyce Jones,  
 Thomas Lawrence  
 Secretary—Vicky Mickiewicz  
 Treasurer—Joseph Crane  
 Sergeant-at-Arms—Walter Kosul

### EDITORIAL BOARD

Editor—Louis Schick  
 William Birchall, Jr.  
 Barbara Clark

### 1984-1985 DUES PAID 8-13-84

	Paid	Not Paid
Atlantic	20	1
Bergen	47	15
Burlington	25	2
Camden	26	5
Cape May	12	0
Cumberland	13	2
Essex	0	20
Gloucester	27	3
Hudson	0	11
Hunterdon	14	3
Mercer	6	8
Middlesex	16	13
Monmouth	38	4
Morris	0	40
Ocean	20	16
Passaic	12	9
Salem	1	13
Somerset	0	21
Sussex	15	0
Union	24	2
Warren	14	3
	330	191

1983-1984		1984-1985
470	Paid Regular Members	330
63	Paid Associate Members	26
39	Paid Affiliate Members	28

### SENATE, NO. 2010

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

#### STATEMENT

The purpose of this bill is to temporarily prohibit the implementation of a revaluation of real property in towns having a population in excess of 60,000 during the tax years 1985 to 1986, inclusive.

### RUTGERS CONFERENCE



An idea isn't worth much until a man is found who has the energy and ability to make it work.

# APPLIED COMPUTER TECHNOLOGY

Division of L & J Technical Services, Inc.

1220 U.S. HIGHWAY 22, MOUNTAINSIDE, NEW JERSEY 07092, U.S.A. • (201) 654-7500 •

## SPECIALISTS IN:

- \*COMPUTER ASSISTED TAX ASSESSING
- \*ON-LINE MUNICIPAL DATA BASE SYSTEMS
- \*COMPUTER HARDWARE

## SENATE, NO. 1919

An act imposing a tax on all sources of income for the support of local government, providing for the collection, distribution, enforcement and administration thereof by the Director of the Division of Taxation in the Department of the Treasury and providing penalties for violations thereof.

### STATEMENT

This bill authorizes counties, municipalities, school districts and other special purpose taxing districts to impose a tax on income at rates to be determined by the taxing district for the financing of its expenditures. The Division of Taxation is charged with the administration, collection and enforcement of the tax, and requires the State to remit the proceeds from the tax to local units on a quarterly basis. Once this bill is enacted, property taxes would be eliminated as a source of revenue for local government.

The bill establishes three separate structures for taxation of income of individuals, estates and trusts; corporations; and unincorporated business entities. These three structures are adaptations of the existing "New Jersey Gross Income Tax Act," the Corporation Business Tax Act (1945), and the "Unincorporated Business Tax Act" (now repealed). In this way, all sources of income could be successfully reached to replace the current property tax structure.

Under the individual income tax, individuals domiciled, or owning residential property, regardless of domicile, in the taxing district would be subject to a tax on gross income. Under the corporation tax, net income allocated to the taxing district would be taxed. Similarly, gross receipts of unincorporated businesses would be allocated to the taxing district and taxed. Accounting periods used for federal income tax purposes would be retained and administration of each tax is provided for separately so that a taxpayer need only look to the applicable provisions to determine his rights and responsibilities.

The bill would take effect immediately, but would remain inoperative until January 1 of the se-

cond year after the new paragraph proposed by Senate Concurrent Resolution No. 75 of 1984, authorizing the imposition of a local income tax, became part of the Constitution, to coincide with the provisions of that paragraph. The Director of the Division of Taxation would be authorized to take whatever steps were necessary to implement the bill prior to that date. On and after the operative date of the bill, all laws inconsistent with its provisions for the support of local government would be superseded.

Advice is more fun to give than receive.

## CHAPTER 220, LAWS OF 1982 RULED UNCONSTITUTIONAL

Chapter 220, Laws of 1982, and its amendment, Chapter 155, Laws of 1983 (N.J.S.A. 54:4-23a) have been declared unconstitutional in the Superior Court, Law Division. The decision was rendered in New Jersey League of Municipalities vs. Kimmelman on July 12, 1984.

Chapter 220 provides that any building or other structure newly constructed, intended for occupancy and use for residential purposes as a single family dwelling and unoccupied, was to be exempted from taxation for a maximum period of two years or until a certificate of occupancy had been issued and the building was occupied and used for residential purposes. The law exempted only structures which were constructed subsequent to December 29, 1982.

As a result of the Superior Court decision, this law has been declared invalid. Therefore, no further exemption should be granted under this law until further order by an appellate court.

Assessors are advised to utilize the Omitted Assessment Law (N.J.S.A. 54:4-63.12 et seq. or N.J.S.A. 54:4-63.31 et seq.) to place on the 1984 omitted assessment tax lists all properties previously exempted under N.J.S.A. 54:4-23a for the 1983 and 1984 tax years.

Men fight for freedom and then they begin to accumulate laws to take it away from themselves.



## SENATE, NO. 1875

An act concerning certain property tax deductions, supplementing Title 54 of the Revised Statutes and amending P.L. 1963, c. 171 and P.L. 1963, c. 172.

Every citizen and resident whose principal residence is a condominium unit or a unit in a horizontal property regime shall be entitled annually, upon proper claim being made therefore, to a deduction from the amount of real property taxes assessed and levied against that unit in the amount of 5% of those taxes.

The deductions provided for in this section shall be granted in addition to any deduction which the citizen and resident is entitled, and in addition to any homestead rebate or credit provided by law.

a. An application, if not filed with the assessor on or before December 31 of the pretax year, may be filed with the collector during the tax year. If he approves the application, the collector shall determine the amount of the reduction in tax to which the claimant is entitled and shall allow that amount as an offset against the tax then remaining unpaid.

Where an application for a deduction is filed with and approved by a collector, the collector shall promptly transmit the application and any supporting documents, or photostatic copies thereof, to the assessor of the taxing district. The assessor shall review this material, and if the application is approved by him it shall have the same force as if originally filed with him.

b. If the application for a deduction is not filed with the collector and approved by the collector and assessor until after all taxes for that tax year have been fully paid, the claimant may submit a letter of application to the governing body of the municipality constituting the taxing district for a refund, without interest, of any tax overpaid. This letter shall be accompanied by a copy of the approved application for the deduction. The governing body may, in its discretion, direct the return of any tax deemed by it to have been overpaid by reason of a claimant's failure to make timely application for a deduction.

### TAX ASSESSOR—APPLICANTS

Resumes being accepted for position of Tax Assessor in N.J. Township of 28,000 population, 8 sq. miles. 10,000 line items. Preferably full-time applicant with N.J. Assessor's Certification, Recent Revaluation, liberal benefits program, salary negotiable in relation to experience. Forward resumes to Joseph E. Bennett, Clerk-Administrator, Township of Neptune, P.O. Box 1125, Neptune, NJ 07753-1125.

If life was a bed of roses, some people wouldn't be happy until they developed an allergy.

## REAL ESTATE Appraisals

A full service appraisal company serving central New Jersey. Our twenty years experience in Commercial, Industrial, Investment and Special Purpose Properties assures you of a highly professional and fully detailed report.

William Ard M.A.I.

George Champlin M.A.I.

James O'Connell M.A.I.

Edward Ard C.T.A.



250 E. Broad Street, Westfield, New Jersey 07090  
(201) 654-4545

223 Drum Point Road, Brick Town, New Jersey 08723  
(201) 920-1950

## SENATE, NO. 1970

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

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, according to the 1980 federal decennial census, shall be required to implement a revaluation of real property for the tax years 1985 to 1986, 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 period covered in this act.

2. This act shall take effect immediately.

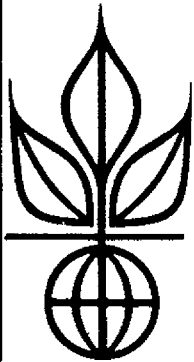
### HOMESTEAD REBATE: 1984 DATA

1,510,748 New Jersey residents have received 1984 homestead rebates, averaging \$182.75 per check. An estimated 403,750 claimants have qualified for the additional \$50 rebate as senior citizens, disabled persons, or surviving spouses, for an average rebate of \$195.

The State has expended \$294.8 million in rebate checks this year, as compared to \$285.7 million last year and \$290.3 million in 1982.

There are many paths to the top of the mountain but the view is always the same.





## REVALUATION AND APPRAISAL SERVICE INC.

388 Pompton Avenue, Suite 3, Cedar Grove, N. J.

(201) 239-3110

TOM SIMMONS

PAUL EBERT

APPRAISALS • MUNICIPAL REVALUATIONS • ASSESSORS ASSISTANCE • URBAN RENEWAL

### SENATE, NO. 2037

An act concerning the revaluation of real property in certain municipalities and supplementing Title 54 of the Revised Statutes.

#### STATEMENT

The purposes of this bill, the "Distressed Municipalities Revaluation Relief Act," are to have the State conduct and pay for revaluations of real property in certain municipalities, to establish a "Distressed Municipalities Property Tax Assessment Record and Evaluation Data Processing Center" to provide for the annual review and updating of assessments, and to provide for the graduated implementation of a revaluation of real property in certain municipalities.

The bill provides that whenever any qualified taxpayer's property taxes on his principal residence increase by more than 15% or more as the result of the implementation of a revaluation of real property in a qualified municipality, the taxpayer would have his property tax liability phased-in over a five year period.

To assure that no qualified municipality would suffer a revenue loss as a result of the phase-in program, the bill establishes a "Distressed Municipalities Revaluation Relief Fund." The moneys appropriated, or otherwise made available, to the fund would be paid to the qualified municipalities to cover the difference between the actual amounts paid by the individual qualified taxpayers and the amounts the municipality would have received if there was no phase-in program.

A qualified taxpayer is defined as any person who is entitled to a homestead rebate pursuant to P.L. 1976, c. 72 (C.54:4-3.80 et seq.). The criteria for determining which municipalities are qualified to participate are the same as those used in the "Municipal Purposes Tax Assistance Act of 1980," P.L. 1980, c. 12 (C.54:1-46 et seq.) to establish a municipality's status as a "qualifying municipality."

The impact of this bill should be twofold. For the individual taxpayer, it should mitigate the "financial shock" which often confronts a taxpayer when the individual is suddenly faced with significantly higher assessed valuations and property taxes as the result of the implementation of a revaluation. In addition, by phasing-in a homeowner's tax liability, it should enable individuals to gradually adjust their personal finances to meet their new tax obligations and thus significantly reduce the number of urban residents who feel that they can no longer afford to maintain their homes and must leave the city.

From the point of view of tax administration, the effect of this bill should be to make municipal officials less reluctant to undertake revaluation for the fear that its implementation will destroy the vitality and stability of their municipality's neighborhoods and communities.

### SURETY BONDS A MUST IN REVALUATION CONTRACTS

Under N.J.A.C. 18:12.4-10 of the revaluation regulations, an appraisal firm contracted to perform a revaluation is required to obtain a surety bond in the amount of the contract.

The Local Property Branch is concerned that bonding is not always obtained and provided to municipalities. Because of the failure of some municipalities to comply with this essential provision in the regulations, the Division of Taxation now requires that a copy of the performance surety bond be sent directly to the Branch. This measure should insure that a municipality is adequately protected in the event of default by the firm contractually obligated to perform the revaluation service.

The Director's approval of a contract will be contingent on the provision that a copy of the surety bond be forwarded to the Division within 30 days. Failure to comply with this provision of conditional approval shall render the contract invalid.

## ASSEMBLY, NO. 2132

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).

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.

### STATEMENT

This bill requires that when revaluations are undertaken by firms or individuals under contract with a municipality, that firm or individual will be required to personally give to the owner of the property a copy of the assessment information of that property. If the owner is not present, a copy of the information must be mailed within three days of the completion of the inspection.

## ASSEMBLY, NO. 2162

An act concerning certain property tax deductions and amending P.L. 1964, c. 255.

### STATEMENT

This bill changes the deadline for senior citizens and totally disabled persons to file their post tax year statements of income from February 1 to March 1 for the purposes of qualifying for a property tax deduction. The bill also allows the local tax collector to extend the filing deadline to April 15 for senior citizens and disabled persons who can provide a medical certificate to show they were ill, or physically unable to file on a timely basis. The current extension deadline is March 1.

Our days are like identical suitcases—All the same size but some people can pack more into them than others.

## FROM TYPEWRITER TO MOD IV

We have worked for Assessors and Tax Collectors for 25 years.

The Municipalities who started with us are still our CUSTOMERS.

This may mean something to you.

**MANLEY**  
**DATA PROCESSING**

Paramus, New Jersey

201-843-5005

## SENIOR ASSISTANT ASSESSOR

The Township of Parsippany-Troy Hills is seeking applicant with the necessary qualifications and experience to qualify as a Senior Assistant Assessor.

They must possess C.T.A. Certificate. Must be well versed in all phases of assessment administration, especially in valuation of Commercial and Industrial Properties also in defense of appeals at County and State levels.

Salary range \$21,400 to \$27,600 depending on expertise, and experience.

Send resumes to: Charles W. Fouquet, Chief Assessor, 1001 Parsippany Blvd., Parsippany, NJ 07054.

For further information call (201) 263-4271.

## Data Exchange Informs Assessors

Subscribers to the Assessor's Data Exchange (ADE) have just received the latest issue. It contains reports of the size, construction material, and cost of twenty-two controlled atmosphere and regular cold storage warehouses used principally for fruit storage.

ADE subscribers have received nearly 400 sale and construction reports for specific parcels of real estate devoted to commerce, industry, and agriculture. Each transaction has been for \$250,000 or more. Most of the reports have been about the office buildings, industrial buildings, shopping centers, country clubs, hotels, and apartment houses that are regular assignments for assessors and appraisers. Other reports provide data on unusual properties such as amusement parks, stadiums, and resorts.

ADE is a quarterly subscription service of the International Association of Assessing Officers, which was founded in 1934 as a nonprofit educational organization dedicated to improving property tax assessment and administration. For more information, write to ADE, IAAO, 1313 E. 60th Street, Chicago, IL 60637, or call (312) 947-2054.

## AUGUST MEETING

The first order of business was the appointment to fill the vacancy of the position of Secretary. President Kessler's choice for the position was Vicky Mickiewicz. A letter from Lawrence Henbest, Dover Township Acting Assessor, was read by President Kessler. Larry approved the appointment of Vicky provided the State Association mail would not be handled through the office, and Vicky's attendance at Association meetings could not interfere with her office work. Motion was made by Bob Pastor, seconded by Joyce Jones, to appoint Vicky Mickiewicz to fill Ken Beck's unexpired term for Secretary. Motion carried. All State Association correspondence is to be sent to Vicky at: P.O. Box 123, Toms River, NJ 08754. Vicky was sworn into office by President Kessler.

### Correspondence:

Letter from Vicky Mickiewicz proposing a Kenneth H. Beck Memorial Scholarship be established by the State Association for children or grandchildren of Assessors. President Kessler referred the suggestion to the Education and Awards Committees.

Association Council Ed Rosenblum reported that Chapter 220, Laws of 1982 (the C.O. Bill) was declared unconstitutional by Superior Court Judge Evers.

Ed reported on a case filed with Judge Evers, citing violation of Chapter 393, whereby the Assessor of Hackensack was not given a raise along with the other employees. Motion was made by Sam Befarah, seconded by Vic Hartsfield, to join in the suit with John Johnson if the Association Attorney thinks it would be to our advantage. Motion carried, with one nay voted.

Ed Rosenblum summarized his feelings about the proposed Insurance Plan. His recommendation is to insure through Lloyd's of London instead of the self-insurance, to get an additional \$50,000 coverage for just a few dollars more per person. Another recommendation is to have a deductible amount imposed on each claimant, to discourage frivolous claims.

Bill Birchall suggested we advise the general membership there might be a substantial increase in dues to cover insurance, to plan for the increase in next year's budget.

Action on the Insurance plan was held over for the Unfinished Business portion of the meeting.

**Nominating Committee Report**—Gloria Cross, Chairlady, presented the Slate of Officers nominated by the committee: President-Elect: William Birchall, Hainesport and Lumberton-Burlington County. Vice Presidents: Atlantic-Cape May-Cumberland Tri County—James E. Andrea-Ocean City, Cape May County; Bergen-Hudson-Passaic Tri County—

Charles J. Shutt-Ridgewood, Passaic County; Camden-Gloucester-Salem Tri County—Horace Spoto-Logan Twp., & Woodbury, Gloucester County; Hunterdon-Sussex-Warren Tri County—Robert Pastor-Sandyston Twp., Stillwater Twp., Sussex County and Washington Twp., Morris County. Treasurer: Joseph A. Crane—Clayton Boro & Deptford Twp., Gloucester County.

### New Business

Ed Rosenblum reported the State Bar Association is considering filing suit against certain Appraisal Companies soliciting Industrial and Commercial appeals through the mail. They also solicit mass appeals on a contingency fee basis, hire attorneys and use their own staff appraiser to prosecute the cases, if they have to. The Bar Association has concluded these companies practising law without a license. Ed asked if the State Association members would advise him of any knowledge they may have of situations which may be used in the lawsuit.


Harrison Adams from Local Property Tax Bureau, submitted a suggested standardized form for the annual income and expense statements for apartment building owners. The form should be distributed to all members for input at the next meeting.

Since the State has increased the Education funding to \$75,000, we have been requested to establish some educational goals, such as recertification. The Education Committee should make some recommendations at the next meeting.

There was some discussion on the probability of regionalization, which John Baldwin advocates very strongly. The general consensus was that we should wait for the Tax Reform Study Commission to make recommendations if they feel it necessary.

Gloria Cross announced New York State has passed a law requiring Assessors to successfully complete certain mandatory education courses or be removed from office. Several Assessors had already been removed, and action was pending on many assessors who had made no attempt to keep up with their education.

Charles Shutt reported on the Ridgewood-Midland Park case pertaining to land on which conservation easements are imposed, and the Courts are granting exemptions to the property owners. This is becoming a popular way of getting tax reductions. Chuck has asked the State Association to support the towns' suit by declaring a Motion for Intervention on behalf of Midland Park and Ridgewood. After some discussion Chuck offered a motion, seconded by Alicia Melson, that we ask the League of Municipalities to take an interest in the problem since it affects local municipalities on a State-wide basis. Motion was carried. Vicky Mickiewicz, CTA, SPA



**MUNICIPAL REVALUATION / ASSESSMENT EQUALIZATION**

**REALTY APPRAISAL COMPANY**

SPECIALIZING IN NEW JERSEY PROPERTY VALUATION SINCE 1934

***A NEW JERSEY ORGANIZATION  
DEDICATED TO SERVING NEW JERSEY ASSESSORS***

4912 Bergenline Avenue, West New York, New Jersey  
UNION 7-3870      UNION 7-0015

### SENATE, NO. 1991

An act concerning homestead rebates and amending P.L. 1976, c. 12.

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

1. Section 2 of P. L. 1976, c. 72 (C. 54:4-3.81) is amended to read as follows:

2. a. The rebate to be granted such citizen and resident of this State shall be calculated at \$1.50 per \$100.00 to \$10,000.00 of equalized value, or equalized value, whichever is less, plus 17.5% of the effective tax rate in the municipality wherein the rebate is claimed, multiplied by \$10,000.00 of equalized value or equalized value whichever is less. If the claimant qualifies as a senior citizen, a totally disabled citizen under 65 or a surviving spouse, as set forth in section 1, such claimant shall be granted an additional \$50.00 rebate for the tax year 1977 and thereafter.

b. In no instance shall the amount of the home-

stead rebate be greater than 50% of the net property tax otherwise due for the pretax year. For the purpose of this section, "effective rate" means the total tax levy for the pretax year on which the tax rate is computed divided by the apportionment valuation for the pretax year, as shown in the Table of Aggregates, prepared pursuant to R.S. 54:4-52.

#### STATEMENT

This bill would increase from 12.5% of effective tax rate to 17.5% of effective tax rate the factor upon which is computed the additional amount of a homestead rebate over the general \$150.00.

It also removes the limitation from the base for computing the rebate of "two-thirds of equalized value." The rebate would hereafter be computed on the base of \$10,000.00 or full value, whichever is less. The current two-thirds of value limitation discriminates unfairly against properties valued at less than \$10,000.00.

Association of Municipal Assessors of New Jersey

**NEW JERSEY ASSESSORS BULLETIN**  
City Hall, New Brunswick, NJ 08903

**BULK RATE**  
U. S. Postage  
**PAID**  
New Brunswick, N.J.  
08903  
Permit No. 259

13

25.A

F01

MARX, BERNARD J. ASSESSOR  
LITTLE SILVER BORO  
480 PROSPECT AVE  
LITTLE SILVER N J

07739