

New Jersey



Assessors



MEMBER
International Association
of Assessing Officers

Bulletin

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PRESIDENT'S MESSAGE



We have completed another Rutgers Conference and, from the reports received, it was successful.

The highlight of the Conference was the Property Tax Study Commission Hearing on Thursday. The assessors who testified did an outstanding job of representing themselves and the association.

The Kenneth H. Beck Scholarship Foundation was approved at the semi-annual business meeting. The seven members of the foundation will be appointed in August with the consent of the executive board. They will hopefully have a report for the full membership in November.

The Governor has recently signed chapter 200 into law allowing a person to qualify for a veterans deduction and a senior citizens or disabled person deduction. The Local Property Tax Bureau will be sending more information to assessors about this law.

President-Elect, Bill Birchall, has sent a letter to all assessors concerning committees. I urge all members to respond positively to Bill's letter. The committees are the backbone of the association.

The Annual Assessors Outing is scheduled for August 15, 1985. I hope everyone has an enjoyable summer.

Stephen Kessler

Doing what you like is freedom. Liking what you do is happiness.

SENATE, NO. 2210

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

STATEMENT

The purpose of this bill is to ensure that properties owned by the New Jersey Institute of Technology continue to be included in the list of State properties that qualify for payments under the payment-in-lieu program. A superior court decision *New Jersey Institute of Technology v. City of Newark* 164 N. N.J. Super 516, (App. Div. 1978) found that in the eyes of the law, N.J.I.T. is essentially an instrumentality of the city of Newark as part of its school district, notwithstanding that the principal financing of the Institute comes from the State of New Jersey.



Clayton Brown and Charles Fouquet, Retiring Assessors.

TAX ASSESSOR CERTIFICATES

Fourteen persons qualified to become municipal tax assessors by passing the semi-annual examination conducted by the Division of Taxation on March 30, 1985.

Forty-five applicants took the six-hour test, held simultaneously at three locations in the State.

The examination was held in accordance with the provisions of Chapter 44, Laws of 1967. The purpose of this Law is to promote professionalism through training and examination. No other single factor is so important in insuring the competent and equitable administration of the property tax as that the tax assessment be made by a well-qualified person.

Those who received passing grades in March are as follows:

ATLANTIC COUNTY: David T. Jackson, Absecon City; Glenn E. Anderson, Galloway Township; Cora Mae Perone, Hammonton Town.

CAMDEN COUNTY: Timothy J. Mead, Winslow Township

HUDSON COUNTY: Peter A. Casamasino, Jersey City; Anne Mackinnon, Kearny Town.

MERCER COUNTY: Barbara Kay Lytle, West Windsor Township.

MIDDLESEX COUNTY: George E. Carlson, East Brunswick Township.

MONMOUTH COUNTY: Judith Ann Cannon, Middletown Township.

MORRIS COUNTY: Scott J. Holzhauer, Randolph Township.

SALEM COUNTY: Asa Wiltsee, Elmer Borough.

SOMERSET COUNTY: Robert M. Sapio, Jr., Franklin Township

SUSSEX COUNTY: Melony K. Whetstone, Sussex Borough.

UNION COUNTY: Charles A. Stafford, Elizabeth City.

The man who has nothing to boast about but his ancestors is like a potato—the only good belonging to him is underground.

Local Property Tax—Tax-Exempt Educational Institution May Lease Property Without Losing Tax-Exempt Status—P.L. 1983, c.204 (approved June 6, 1983) permits tax-exempt educational institutions to lease portions of their properties to organizations or businesses during those portions of the year the institutions are not in session. Under the act, institutions will not lose their tax-exempt status provided the lease income received is expended in furtherance of their exempt purpose or purposes. The act is effective immediately.

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SENATE, NO. 2107

An act concerning the elimination of sex as a basis for conferring certain benefits and revising parts of the statutory law.

STATEMENT

This bill amends certain sex-based provisions concerning tax deductions for veterans. Presently, the veterans deduction is restricted to male veterans and their widows during widowhood.

On the recommendation of the Commission on Sex Discrimination in the Statutes, the deduction is available to either surviving spouse. The commission deletes the provision requiring a surviving spouse to remain unmarried in order to receive survivorship benefits. This furthers the policy of marriage as an economic partnership, as remarriage should not deprive either spouse of an asset they accumulated during their previous marriage.

The thing that counts is not the time spent but the manner in which it is spent.

ASSEMBLY, NO. 2339

STATEMENT

This bill permits owners of certain low and moderate income housing units to receive a real property tax abatement for a period of up to five years from the date of the issuance of the certificate of occupancy for these units.

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ASSESSORS WANTED

Part time assessor needed in Mansfield Township, Warren County, effective January 1, 1986. Present number of line items is 2,853. For details call Frederick Perry, Municipal Clerk, 201-689-6151, Monday thru Friday, 9:00 A.M.—5 P.M.

Full time assessor needed in Perth Amboy. For details call Jim Goumas, 201-826-8680.

TAX ASSESSOR WANTED

The Township of Washington, Gloucester County is seeking a full-time Tax Assessor. CTA required. Line items 10,500+ 22.29 sq. miles. Pop. 33,000+ Salary \$21,000—\$26,000 depending on qualifications and experience. Send resumes to: Louis S. Bezich, Business Administrator, Township of Washington, P.O. Box 1106, Turnersville, NJ 08012.

CTA WANTED

Full time Certified Tax Assessor wanted for Brick Township, Ocean County. Approximately 29,000 line items. Salary between \$19,000 to \$21,000 depending on experience. Must be knowledgeable in the assessing of all types of properties. Please call Joseph A. Cordo, Tax Assessor at (201) 477-3000 Ext. 250.

The Township of Morris is seeking a full-time Assessor; 15.7 sq. mil., 6,600 line items, recent revaluation. Must be certified. Liberal benefits program, salary negotiable in relation to experience. Send resume to Edward A. Taratko, Township Administrator, Township of Morris, CN 7603, Convent Station, New Jersey 07961.

TOWN OF NEWTON

Accepting resumes from persons interested in the position of Newton Tax Assessor. Requires State certification. Completion of appropriate courses required. Salary commensurate w/experience.

Established community w/moderate growth. Approx. 2100 tax line items. Apply at the Manager's Office, 39 Trinity St., Newton, NJ 07860 by July 15th. Equal opportunity employer.

The Borough of Tinton Falls is seeking a full time Tax Assessor. A fast growing community with an approximate population of 8500. Must be certified. Salary commensurate with experience. Send Resume to Borough of Tinton Falls, 556 Tinton Avenue, Tinton Falls, NJ 07724. Mark envelope "Resume" EOE.

TAX ASSESSOR

Rutherford, N.J. seeks full-time N.J. certified assessor, 19,000 population, 5,200 line items. Revaluation experience preferable. Salary negotiable commensurate with experience, excellent benefits. Send resume to Borough Administrator, 176 Park Avenue, Rutherford, N.J. 07070.

Part-Time Assessor wanted for the Borough of Stanhope. Salary negotiable. Approximately 1,700 line items of which most are residential. Must be C.T.A. Send resume to Gary Kratz, Borough Administrator, 77 Main Street, Stanhope, N.J. 07874

LOCAL PROPERTY TAX—Valuation—The Tax Court affirmed the Monmouth County Tax Board's assessment on plaintiff's apartment complex for 1976 through 1980 as correct and dismissed plaintiff's complaint.

The Tax Court held that (1) witness' opinion of capitalization rates was unsupported by any acceptable facts and was rejected; (2) building residual technique was not accepted absent opinion of land value; and (3) the presumption of the correctness of the assessment was not overcome absent basis for finding of value. *Kazanchy v. Borough of Sea Bright*—6 N.J. Tax 353 (Tax Court of New Jersey, May 4, 1983).

GLEN WALL ASSOCIATES V. TOWNSHIP OF WALL

In a seminal decision which undoubtedly will influence both the quantum and quality of proofs required of a taxpayer before the Tax Court, our Supreme Court in *Glen Wall Associates v. Township of Wall*, 99 N.J. 265 (1985) promulgated new guidelines regarding the sufficiency of expert testimony in real property tax cases.

Glen Wall was a routine garden apartment tax appeal involving the dual issues of true value and discrimination. At issue was the sufficiency of the building residual income capitalization approach employed by the taxpayer's expert. This technique requires the appraiser to first develop a land value using comparable sales. Once established, the income imputable to the land is deducted from the net income of the property. The remaining income attributable to the improvements is capitalized into value by dividing it by an appropriate capitalization rate. The value thus derived is then added to the land value to develop the market value of the entire parcel.

In *Glen Wall*, instead of establishing the land value by independent proofs, the taxpayer's expert accepted the assessed value of the land and divided it by the Director's average ratio, a procedure which the Tax Court judge condemned as "not a substitute for proper appraising". In reversing the Tax Court, the Supreme Court relied upon *525 Realty Co. v. Hasbrouck Heights*, 3 N.J. Tax 206 (1981) and *Middlesex Builders v. Township of Old Bridge*, 1 N.J. Tax 305 (1980) advertent to the presumption of correctness with which the original assessment and the county board judgment are clothed. The Court went on to say:

"If a taxpayer does not wish to contest part of a township's assessment he should be able to concede that fact rather than be forced to litigate an issue upon which the parties have agreed. To force the taxpayer to produce expert evidence on this point wastes the party's and judicial system's time and money". (At p. 273)

Overlooked, however, is the following passage from *In Re Appeal of Kents*, 34 N.J. 21, 33 (1961):

"A taxpayer would receive an undue advantage if he could confine his proof to the treatment of only land or building and have the court assume the assessed valuation of the other accords with true value. The burden is his to establish with independent proofs the true value of the parcel with its improvements and that the total assessment of the improved parcel substantially exceeds the ratio of assessment of real property in the taxing district".

Although the inconsistency is inescapable, the failure of the court to distinguish *Kents* creates the equivalent of a judicial black hole.

Also addressed was the issue of whether the stabilized actual rents of the subject complex were sufficient evidence of economic or market rent. Holding that it was not, the Tax Court judge rejected plaintiff's proofs in this regard because the expert's estimate of economic rent did not represent an informed estimate of the probable prospective income from the property based on known rentals for similar space in the same or comparable locations. In reversing, the Supreme Court quoted with approval from *Parkview Associates v. Collingswood*, 62 N.J. 21, 29 (1972):

"In the absence of convincing evidence to the contrary the current ongoing income scale of a large, well-managed apartment project like this, functioning as customary with leases of relatively short length, should be deemed prima facie to represent its

fair rental value for purposes of the capitalized income method of property valuation." (At p. 275)

The Township, the Court held, had failed to overcome the presumption that the landlord was charging market rent. Moreover, the Court noted, the fact that the Township's expert gave an estimate of economic rent which differed from the taxpayer's by only 1.9% should have caused the Tax Court to hesitate before ruling that the taxpayer had failed to adequately establish economic rent. As the Court observed:

"An expert should be expected to support his opinion with as much documentation as necessary, but within realistic and practical limits. Courts should always be mindful of the time and money both townships and taxpayers must spend litigating these actions". (99 N.J. at 277)

Turning next to the capitalization rate, the taxpayer's expert testified that he considered mortgage and capitalization rates compiled in tables published by the American Council of Life Insurance with respect to mortgages issued by insurance companies on apartment complexes. He also analyzed rates of return available on other investments such as U.S. Treasury Bonds, corporate bonds and stock. Lastly, the expert considered the relative advantages and disadvantages (tax and otherwise) of an investment in this type of property, relying chiefly on his experience in managing apartment complexes and advising purchasers in regard to rates of return.

The Tax Court rejected the expert's capitalization rate on the basis that there was insufficient evidence in the record to support such a rate or from which the Court could fashion its own rate. The best evidence of such a capitalization rate, the Tax Court judge noted, "is to be obtained from the real estate market and the rates used by the witness were not related by him to the real estate market" (99 N.J. at 278); in effect ruling that an expert in determining a capitalization rate may not rely upon rates of return on alternative investments or mortgage interest rates.

Again, the Supreme Court reversed, stating that an investor in real estate does in fact consider alternative investments "for it is now frequently said that realty values are established in money markets rather than in real estate markets" (citation omitted) 99 N.J. at 278. While recognizing that the preferred technique is to derive a capitalization rate from sales of similar competitive properties, the Court conceded that such data is usually difficult to obtain. Citing language from the Tax Court Enabling Act which provides that judges of the Tax Court shall be chosen for their special qualification, knowledge and experience in matters of taxation (N.J.S.A. 2A: 3A-13), the Court expressed the view that the record contained sufficient evidence to allow the Tax Court to apply its own knowledge and expertise in determining a capitalization rate.

In her concluding remarks, Justice Garibaldi articulated the rationale underlying the Court's decision:

"The Tax Court's decision places an onerous burden on the taxpayer and ignores the time and expense such a burden imposes on a litigant. In this day of rising litigation expenses, it is important for the courts to adopt reasonable limits on what is to be expected of a litigant in presenting his case through the use of an expert." (99 N.J. at 284).

In summary, the *Glenwall* decision relaxes the standards of proof which govern expert testimony before the Tax Court but, at the same time, confers upon Tax Court judges far greater latitude to draw upon their own knowledge, expertise and experience in formulating opinions of market value. To the relief of many taxpayers, however, the cost and expense of hiring an expert to prepare an appraisal report should be lower in the wake of this decision.

Edward Rosenblum

LEGISLATIVE REPORT



On Thursday, June 6, the N.J. Property Tax Assessment Commission conducted a hearing during the Assessor's Continuing Education Seminar at Rutgers University's Livingston Campus. The importance of this hearing was underlined by the large number of commissioners in attendance. I would want to interpret the presence of the commissioners to the importance of the information that was to be presented to them by the assessors who expressed a desire to be heard. Before I go any further in this report, I must commend those 16 assessors who asked to provide the commission with information that they thought were some of the contributing factors, not only to the negative impact of revaluations, but also needed to cite some of the inequities in Property Tax Administration that ultimately contribute to the negative impact of revaluations. What was most unique about this hearing was; although each speaker was totally unaware of what the other was to remark about, there was little or no duplication of statements made. I know that it would be quite difficult for me to cite each and every presentation herein because of the definite lack of space. Moreover, I have been successful in receiving a copy of the remarks made by Pres. Kessler, John Murray, Chairman of the Tax Commission Liaison Committee and Mary Mastro, Coordinating member of the Liaison Committee. I have asked the editor to publish their reports in full in order that those assessors who did not attend the conference will get an opportunity to at least read and digest some of the remarks. I will comment on some of the statements made in those reports. I only wish that we were able to provide everyone with the statements made by the other assessors.

I am going to try to highlight a few remarks at random hoping at the same time that those who are not mentioned will not consider their remarks to the Commission to be unimportant. For example, Courtney Powell, whose district is totally computerized, spoke on the effects this computerization is having on his district. Thomas Seiler spoke about the abuses of the Farmland Assessment Act. Bill Bailey spoke about the need for annual updates. William Quillan gave a very good presentation on the effects the current sales ratio program is having on a taxing district. Further remarks were made by Al Greene, Charles Shutts, Pete Torres, William Birchall, Roy Taylor and Bill Shelly on assessing problems most prominent in their taxing districts.



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When analyzing the statements by Pres. Kessler, he made reference to the fact that the assessors are educationally oriented and continuously striving through various seminars to improve their knowledge in Property Tax assessing. This is a fact not well known to many municipal governing bodies. He also made reference to the lack of necessary personnel and space in the assessor's office and how the assessor has become "fair game" for the enlightened property owner.

John Murray's remarks were confined to the area regarding the Division of Taxation's "Equity 2" project. This is a project which, to date, the assessors throughout New Jersey do not know whether the resulting changes will be revolutionary or will tend to just correct the known inequities and update certain provisions. John made reference to the sorely needed revision in the sales ratio analysis program. He also cited how the quality of assessing has increased in the past 15 years and what the assessors have done to keep abreast of all the changes. In closing, John has listed four important suggestions which he feels would greatly improve assessing administration.

Mary Mastro's statement was a composite of all the answers provided by the assessors to the Tax Commission Liaison Committee from a questionnaire sent to each assessor. She had attempted to

(continued on page Ten)

PROPERTY TAX STUDY COMMISSION

The following are a few reports made before the Commission at the Rutgers Seminar. Lack of space does not permit the publishing of the report by Mary Mastro. It will be in the next issue.

Stephen Kessler

Good Morning, my name is Stephen J. Kessler. I am President of the Association of Municipal Assessors of New Jersey. The association is happy that the Local Property Tax Study Commission chose to hold a hearing at Rutgers during the Annual Assessor's Conference. The assessors attending this conference are not only the most knowledgeable in the state of New Jersey, but the entire country. You will hear today from assessors who have expertise in certain fields. They will enlighten you on subjects that I or other officers of the association cannot do.

The assessors of New Jersey are very educational oriented. You can see that for yourself by the large number attending this conference. This year, one day seminars were conducted on Farmland Assessment and Property Tax Exemptions. These seminars were filled immediately after the notices were mailed out and there are plans to conduct more specialized seminars in the fall.

Now I would like to make some remarks concerning the property tax. The property tax has come under heavy assault in recent years. We have heard people say; "Abolish it, do away with it, it's a regressive tax". I am not here to defend the property tax, but what's so great about income tax or sales tax? The only difference is that these taxes are paid in smaller amounts and go almost unnoticed when they are collected.

You ask then; "What tax is the best tax"? I would say the one that plucks the most feathers with the least amount of squawk.

The property tax is usually administered by one's neighbors, and if you don't like the way things are going, you can go to the local meeting and say so. If you don't like the way the property is assessed, you can appeal it and perhaps get a reduction. In a world where government has become big business the property tax remains relatively close at hand.

Some assessors are considered a necessary evil and given a minimum amount of space and personnel. He is expected to produce a tax list for the collection of taxes with a minimum amount of disturbance to the local voters. The assessor is fair game for the ever growing and enlightened property owner. The day is gone when the property owner considered the property tax a private matter. They talk to neighbors, compare tax bills, and look over the assessor's shoulder to see if he is doing an acceptable job. The assessor is expected to be a professional in his field and know and use acceptable approaches to value in an appraisal of property and, most of all, to be above reproach with the highest integrity. The assessor is the focal point of the political process, particularly during an election year. The assessor is blamed for high taxes, poor roads, no parks, small schools and about everything that goes wrong with government services. It's said the general public's image of the government worker is the assessor and the garbage collector because they are more exposed to the general public than any other official.

The assessor must always be alert to the responsibility charged to him. He should not give the taxpayer a chance to be critical of his work. He must always be fair and equitable in his decisions in order to instill the public trust in him as assessor.

Assessors are required to value the entire inventory of the municipality, where private appraisers are allowed to work in isolated areas. Assessors are required to operate in a fishbowl, while appraisers are allowed a high degree of privacy and independence. The assessors door must be opened to all who wish to enter while the appraiser is allowed relative freedom in choosing for whom he works.

The assessor is not only an appraiser but must have a certain understanding of the laws. He must administer the Farmland Assessment Act, the Homestead Rebate, Property Tax

Abatements, Veterans Deductions, Property Tax Deductions for Senior Citizens, Totally Disabled Persons, Surviving Spouse, and Property Tax Exemptions. The assessor must be able to understand and interpret an income statement.

The assessor of today must be a well organized capable administrator. The days are gone when an assessor can con the property owner. He must know what his job is and how to handle people. The entire assessment field must be staffed with highly qualified people on the local level. We must not go back, but forward. We must accept change and work to improve the change. Most taxpayers that come into the assessor's office do not complain about the assessment on their property, but how much they pay in taxes. I have a property owner who has been complaining to me about the taxes on his property for as long as I have been an assessor. He has stated to me, no one would pay \$80,000.00 for his property because he has to pay \$3,000.00 a year in property taxes. I received a transfer last week where the property sold for \$250,000.00. This is just one of the examples of problems assessors are faced with.

Thank you for your time and again thank you for conducting your hearing here at Rutgers.

John Murray

Mr. Chairman, Commissioners and Guests, this presentation is in response to the Paper presented by The Division of Taxation in their explanation for "Equity 21".

It has been suggested that "Equity 21" was formulated to gather data relative to the assessment function at the three levels of government. These data were then to be interpreted into findings of fact in what is hoped by some to be the ultimate answer—State Assessing.

In arriving at this goal, The Contractor, with no experience in assessing, has interviewed the Division, all 21 County Tax Boards have been visited, but only approximately 15 to 20 of the 567 Municipalities will be interviewed in addition to questionnaires that were received by all Municipal Assessors. If, "Equity 21" is truly an independent study, by a novice and inexperienced team, why would this team not spend more time with those people who are on the firing line? Query! What kind of guidance can the Division personnel give, when they themselves are limited in their knowledge and work-a-day procedures. Many of the Bureau's personnel are dedicated but are not in a position to truly assist the Assessor when called upon to do so.

Over the years, we have witnessed what appears to be a do-nothing attitude when it comes to making a decision to bring the rules and regulations into the 1980s. As has been mentioned previously, the Sales Ratio Program is a prime example. Numerous meetings and suggestions have been forwarded in an effort to correct some of the inequities in the usable and non-usable categories—to no avail. Appraisal assistance, although appreciated can only be used as a guide, since they represent only the cost approach and cannot be used in a tax appeal hearing.

Computerization of the tax list was a step forward, but that was 15 years ago. Since that time, we have suggested numerous new programs to bring the system up-to-date—nothing has happened.

We, the Assessors of New Jersey, individually, in an effort to keep current with the computer era have undertaken to secure programs that will assist us in developing a superior quality tax roll. We are in the forefront in truly developing our profession. Will these programs replace the Art of Appraising? The final value estimate should never be accepted from a computer printout until it has been field reviewed and all pertinent adjustments been made—the cost approach per se is not acceptable—but that is what some inexperienced people will have us all believe.

The quality of assessing in New Jersey over the past 15 years has taken giant leaps forward. Witness the number of legislative actions to assist the Assessor and Municipality to professionalize

(continued on next page)

TAX STUDY COMMISSION continued

the office. We have seen Certification of Assessors, non-residence requirements, elimination of Boards of Assessors, more qualified personnel staffing the office and funding has been provided to allow for educational programs initiated by the Assessors Association in cooperation with Rutgers University. Tenure of office has secured the position from political interference. County Tax Board Members must now be certified and the development of the Tax Court have all combined to require the Assessor to become more professional—and we have.

Is it any wonder that the cost of operating the Assessor's Office has increased. The changes in the office operation from part-time to full-time in many districts plus additional staffing and the general inflation has caused the doubling of office expenses. What was the inflation rate during this same 12 year period—or more to the point—what was the cost per line item to operate the Assessor's Office, Health Office and Recreation Office during this same 12 year period? In most districts, the Health Officer and the Recreation Director are paid more than the Assessor.

Certainly, the cost of revaluations have increased over this same period. Look at the complexity of the makeup of most municipalities today as compared to 12-15 years ago. This is in addition to the inflation rate over this same period.

The quality of the assessment rolls in New Jersey are superior to just about any other state. The 1981 Government Census of residential assessed values for all 50 states placed New Jersey #3 in quality with an average coefficient of 12. The average in the Country is 21. The average sales ratio was 58.60 for New Jersey, the Country average was 43.90. Not bad for a system that has been called fragmented, archaic and fuzzy. Keep in mind that most of the States that do not come close to our quality have County and/or State-wide assessment practices.

Now that we have patted ourselves on the back, let us not mislead you into thinking that we are a panacea. Like all professional groups we have our problem areas; but instead of broad-brushing the entire system, we have asked the Division to address those areas that are giving them problems. If it is an assessor, address that person not the entire organization. We have a number of suggestions that we believe will go a long way to improve upon our current system.

1. Eliminate the current cost manual, replace it with a national cost indices that has been computerized.
2. Mandate all appeals to County or State must have an appraisal attached at time of filing. The Assessor to give written notice of any change in assessed value to owner by March 1st, or some acceptable date which will afford the owner ample time to have appraisal made prior to August 15th filing deadline.
3. A Committee be formed and mandated to review and revise the current sales ratio system, (i.e. data gathering, sales verification, sales analysis, usable and non-usable sales, training personnel in this field).
4. Require all appeals pertaining to Exemptions, Deductions (Senior Citizens, Veterans and Rebates) Farmland and Wetland Procedures be heard by the Small Claims Section of the Tax Court and that the Attorney General's office be represented at the hearings (for the State Case).

In conclusion, we have the expertise at the local level to perform. We may need assistance in some areas but what the taxpayers of this State do not need is a super agency removed from local taxpayers' scrutiny. If there are funds available to run surveys on our functions then there should be monies made available to fund programs that we, on the local level, can employ to improve our product.

Leadership by truly knowledgeable people in the field of assessment administration is the answer.

Thank you for allowing me time for this presentation.

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	1985-86 Paid	1985-86 Not Paid		
Atlantic			20	1
Bergen			47	15
Burlington			27	0
Camden			26	5
Cape May			12	0
Cumberland			13	2
Essex			17	3
Gloucester			27	3
Hudson	10	7	11	0
Hunterdon			14	3
Mercer			8	6
Middlesex			22	7
Monmouth			38	4
Morris			30	10
Ocean	10	26	25	11
Passaic			19	2
Salem			10	4
Somerset			21	0
Sussex			15	0
Union			24	2
Warren	15	2	16	1
	35	35	441	91

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470	Paid Regular Members	441	35
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39	Paid Affiliate Members	35	1

COMMITTEE MEMBERS WANTED

Every association is only as good as its members make it. Our organization is no exception. Your President, Steve Kessler, and I believe that there are many of our members who would be willing and able to make a contribution to the continuing progress of our group if they were given the opportunity.

Now is a time of opportunity. We want to know if you are interested in serving on a committee and have any special expertise that would enable you to help *your* Association.

Those already involved in committee work who would like to expand their Association experience by changing assignments should also take advantage of this opportunity to express their desires.

Please indicate any preferences you might have and, as much as possible, assignments will be made according to preference as long as committee size remains practical.

We appreciate and encourage your interest and involvement in *your* Association.

Call me if you are interested.

Bill Birchall
President-Elect
P.O. Box 31
Hainesport, NJ 08036

Association of Municipal Assessors of New Jersey

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ONE MAN'S OPINION

In 1984 a house in Summit sold for \$753,000. It was assessed at \$344,700 producing a ratio of 46%.

This was accepted by the County Board and the Local Property Tax Bureau as an arm's length transaction and that ratio was used in determining school aid and county taxes.

The next year, the assessor, following Chapter 51, Laws of 1960, in an attempt to bring assessments up to 100% of market value, raised the assessment to \$692,100. This is 92% of the sales price.

The Union County Board of Taxation has rolled back this assessment to the original assessment of \$344,700. The Board also rolled back 277 other values that the assessor increased for 1985, asserting that the city was discriminatory against new homeowners.

The total assessed value of the properties in question is almost 14 million dollars and the Summit Council is considering a lawsuit against the Board saying the assessor acted in accord with state statutes.

The County Board said that if Summit officials want to raise property assessments to bring them in line with increasing market values, then the City must reassess the entire community.

I think the Board is wrong.

Assessors are supposed to review values every year. If they find a particular area selling above assessed values, are they to let the assessed values remain or bring them to market value? How can an assessor reassess an entire town every year without incurring tremendous additional expenses.

Remember, this is One Man's Opinion.

Lou Schick

Wit has truth in it; wisecracking is simply calisthenics with words.

ATLANTIC CITY GETS DELAY

The first revaluation in Atlantic city since 1962 was deferred by special legislation, which, a state appeals court ruled, was constitutional.

The revaluation was to have gone into effect for 1984 but legislation was passed that year, specifically for Atlantic City, allowing the City to defer the new values. The law also gave the State Treasurer the power to extend the deferment through 1985 if requested.

Several casinos challenged the legislation stating that the State constitution called for uniform rules for assessing property and the moratorium violated this.

The attorney for the casinos said that if the valuation had not been put off, taxes of land speculators would have dramatically risen.

The City contended it needed more time to come up with a "more equitable distribution of the tax burden."

BERNARDS TOWNSHIP AND AT&T SETTLE

Two years of negotiations between Bernards Township and AT&T have settled a tax dispute but Tax Court Judge Anthony Lario has not approved it, asking for additional information.

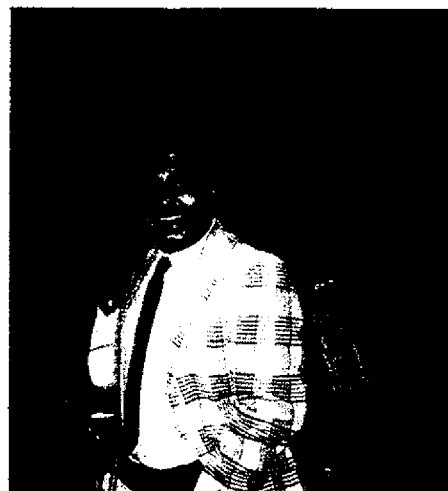
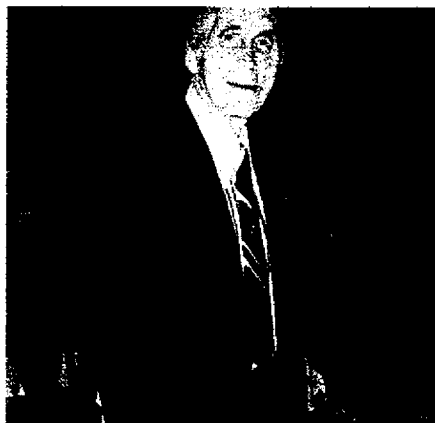
A revaluation in 1983 put a value of \$232.4 million on the property owned by AT&T and they filed an appeal, seeking a reduction of \$40 million.

The settlement will reduce the assessment by \$27.4 million.

Anticipating a refund, the Township created a fund by city wide tax increases to offset any tax repayments.

Although there is a five percent annual interest applicable, the Township feels that the \$1.5 million escrow fund will be sufficient.

N.R.A.A.O.



LEGISLATIVE NEWS cont'd from page Five

translate their statements into a report on various subjects for the Commission. She elaborated on the necessity of and the resulting effects of revaluations in cities and elsewhere. She also offered some very pertinent remarks about the tax base. She expounded on the effects exempt property are having on a district's tax base. She remarked about the appeal process as conducted in our courts today. She also concluded by offering four suggestions which were uppermost in the minds of those assessors who responded to the committee's questionnaire.

The contribution of information made by these 16 assessors to the Tax Commission was most valuable and will surely tend to influence them when recommendations to the legislature are made.

However, there is still time for others like these 16 who feel that they, too, can add something that would be helpful to the Commission. You need only to sit down and write it, as others before you have done, and then mail it to me and I will see that the committee receives it. I am happy that we had our chance on June 6th and we all told it "like it is".

George C. Harraka, C.T.A.
Chairman—Legislative Comm. A.M.A.

MORRIS COUNTY ASSESSORS MEETING

At the Annual Installation Dinner of the Morris County Assessors Association, John Staley, Township of Randolph was sworn in as President for 1985.

Other officers installed were:

1st Vice President—Ernest Del Guercio

2nd Vice President—Natalie Lipkin

Treasurer—Ann Gentile

Secretary—Mary Hill

Charles Fouquet, Parsippany and Clayton Brown of Butler were feted on their retirement. Among those gathered to honor the retirees were the Morris County Freeholders, Morris County Tax Board, Assemblymen, Barbara Brunner, President of the IAAO, John McDermott, Board of Directors, IAAO, Sid Glasser, Henry Ditmars and Assessors from many of the Counties.

ASSEMBLY, NO. 2364

STATEMENT

The purpose of this bill is to provide a property tax exemption for any totally or seriously disabled veteran, regardless of whether or not his disability is the result of wartime service. Under current federal law, the Veterans Administration will certify that a disability is service connected, even if that disability is related to peacetime service.

Gallia est omnes divisa in partes tre

One of the very early sub-divisions by that very aggressive land speculator, Julius Caesar.

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ASSEMBLY, NO. 2408

An act providing a credit against the New Jersey gross income tax in certain cases and supplementing chapter 4 of Title 54A of the New Jersey Statutes.

STATEMENT

Many people who are entitled to a homestead rebate fail to file their annual application on time and are therefore denied their rebate. This bill remedies this situation by allowing those taxpayers to receive a credit equal to the amount of the rebate on their gross income tax.

When everything seems hopeless the only thing left is to hope for a change.

What would a man do with himself if something did not stand in his way?

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ASSESSORS BUSINESS MEETING

President Stephen Kessler called the Semi-Annual Business Meeting to order at 7:05 p.m., Thursday, June 6, 1985.

President Kessler asked for a moment of silence for those members who have passed away since last year, especially John W. Keuler, Jr., Woodbury Heights, Gloucester County; James J. McGrath, Pompton Lakes, Passaic County; and Harold F. Wrightington, Palisades Park, Bergen County.

Minutes of the April 18th Executive Board Meeting were approved after a motion was made by Bill Birchall.

Treasurer's report as of June 1, 1985 was given by Joseph A. Crane, Treasurer.

President Kessler appointed the following Nominating Committee:

Gloria A. Cross, Chairlady—Assessor, Pequannock Twp., Morris County

Joseph A. Crane—Assessor, Claytown Boro & Deptford Twp., Gloucester County

James L. Anderson—Assessor, Pt. Pleasant Beach & Pt. Pleasant Boro, Ocean County.

Elected by the Executive Board:

Robert W. Pastor—Assessor, Sanyston Twp., & Stillwater Twp., Sussex County & Washington Twp., Morris County

H. Randolph Brokaw—Assessor, Hamilton Twp., Mercer County

Charles Shutt—Assessor, Midland Park Boro & Ridgewood Village, Bergen County

Eli Serlenga—Assessor, South Brunswick Twp., Middlesex County & West Amwell Twp., Hunterdon County

Roy Taylor—Assessor, Watchung Boro, Somerset County

Arlene Oliver—Assessor, Stafford Twp., Ocean County.

President Kessler also read the offices that are to be filled and the persons presently holding these offices:

Tri-County Districts

Essex, Morris, & Union—Robert Ebert—Assessor, Glen Ridge, Essex County

Burlington, Monmouth, & Ocean—Joyce Jones—Assessor, Manchester Twp., Ocean County

Mercer, Middlesex, & Somerset—Thomas Lawrence—Assessor, Monroe Twp., Middlesex County

Joyce Jones and Thomas Lawrence are both eligible to run for another term; Robert Ebert is not eligible.

Secretary—Vicky Mickiewicz—Deputy Assessor, Dover Twp., Ocean County

Sergeant at Arms—Walter Kosul—Assessor, Fieldsboro Boro., Pemberton Twp., & Bordentown Twp., Burlington County

Vicky Mickiewicz and Walter Kosul are both eligible to run for another term.

Ralph Todd gave the Legal Fund report, balance as of June 1, 1985 \$13,012.89. There are 161 paid members 7/1/85 to 6/30/86.

COMMITTEE REPORTS

Insurance—Bill Birchall reported that Lloyds of London is no longer willing to underwrite us and we are looking around for another company. As soon as we find one, we will let the members know.

Constitution and By-Laws—Steve Kessler announced that the Executive Board approved of the Kenneth H. Beck Scholarship Foundation By-Laws at its April 18, 1985 meeting. Larry Henbest made a motion that the By-Laws be accepted. Motion carried.

Steve asked for the names for the Foundation Committee to be submitted to him by the Tri-County Vice Presidents as soon as possible so that the Foundation can get started.

S.M.A.—The S.M.A. Luncheon will be held on Wednesday, November 20, 1985 at Bally's Park Place. The letters and reservations will be going out in August.

Atlantic City Conference—Joyce Jones reported that the League of Municipalities Conference will be held Tuesday, November 19 through Friday, November 22, 1985. The Assessors' Headquarters will be the Bally's Park Place Hotel. Sign-up sheets were passed around at Rutgers so that anyone who wanted reservations have placed their name on the reservation list.

The Tri-Counties of Burlington, Monmouth, and Ocean are trying to raise money so that they can host an installation reception for Bill Birchall on Wednesday, Nov. 20th.

Education—Because of the Northeast Conference being held the 1st week of June 1986, Joe Crane asked for a show of hands for those who wanted to hold the Rutgers Conference the second week of June, 1986, instead of the third week of June. The second week had more votes.

Joe Crane reported that the Arm Chair races, held at Rutgers on Wednesday night, June 5th, netted the Ken Beck Scholarship Foundation a total of \$400.00.

Mr. Crane made a motion that we authorize the transfer of \$500.00 from the Association Fund to the Kenneth H. Beck Scholarship Foundation Fund. Motion passed with one (1) no vote.

Farmland—Walter Kosul reported that the one two-day Farmland Seminar held on April 30th and May 14th at the Somerset Marriott Hotel was well received with over 100 registrants. There will be other seminars planned in the future.

Forestry Bill—A-1041 has been caught in the Assembly for some time.

Exemptions—Bob Pastor announced that the Exemption Seminar, which was held on Wednesday, May 8th, was very well received and was overbooked. Vic Hartsfield reported that there is another one tentatively scheduled for October.

Since there was no other business to come before the Association, the meeting was adjourned.

Vicky Mickiewicz, Sec.

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SENATE, NO. 2155

An act concerning the special retirement privileges of veteran members of the Public Employees' Retirement System of New Jersey and amending P.L. 1954, c. 84.

STATEMENT

This bill amends the special veterans' provisions governing the Public Employees' Retirement System to: (1) eliminate the requirement for continuous service following January 2, 1955, permitting retirement after 20 years of aggregate service at age 60; (2) provide for the payment of the special veterans' benefits for the first time at age 55 after 25 years of aggregate service; (3) eliminate the requirement for the attainment of age 62 and 20 years of service for those who were not in employment on January 2, 1955, or who did not serve continuously, and (4) provide for the payment of the death benefit following retirement for those retired in the past as well as those retiring in the future under the new provisions.

The same provisions have been approved for veteran members of the Teachers' Pension and Annuity Fund (P.L. 1984, c. 69).

ASSEMBLY, NO. 2556

This bill would provide that if a petition of appeal or a complaint is filed during the 19 days next preceding August 15, a taxpayer or a taxing district shall have 20 days from the date of service to file a cross-petition with the county board of taxation or a counterclaim with the tax court, as appropriate. This bill responds to the holding of the Superior Court Appellate Division in the consolidated cases of *F.M.C. Stores Co. v. Borough of Morris Plains*, *Edison Mall Associates v. Township of Edison*, and *115 Acres Venture/First National State Bank v. Township of Edison* (decided August 2, 1984), where the court rejected three municipal counterclaims as being filed after the August 15 deadline. The court's reasoning was that R.S. 54:3-21 provided August 15, as a statutory jurisdictional requirement not subject to judicial relaxation in the interests of fairness. This bill is necessary to allow taxpayers and taxing districts the opportunity to respond to and file counter-appeals in property tax assessment appeals that are filed close to the initial appeal deadline.

Association of Municipal Assessors of New Jersey

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