

New Jersey



Assessors

Bulletin



MEMBER
International Association
of Assessing Officers

Vol. 25, No. 2

MAY 1986

PRESIDENT'S MESSAGE



Recently, I heard a speaker say that "in every organization there are two groups of people . . . those who *do* and those who *do not*." I believe he was right and that the concept applies to our Association as well. I have observed two groups among Assessors and, from what I have read and heard of the various studies going on in New Jersey relative to Assessors, other people have also discovered two groups.

As far as the Association is concerned, the groups consist of those who *do* get involved in activities of the organization and those who, for whatever reason, *do not*. There are those who are able and willing to serve their peers by being involved in committees and the "politics" of their county and state organizations. On the other hand, the "*do not*s" comprise two groups: those who are not able and those who are not willing to share their abilities for the common good.

Expanding our involvement somewhat, when we look at an Assessor in the municipal building we again see those who *do* and those who *do not*. There are those who do all they possibly can to uphold their oath of office and *do* their job to the best of their ability and, I am sorry to say, there are those who *do not* but are willing to get by with minimum effort. There are those who, by what they *do* willingly, have earned respect in their town halls and their communities and those who have a reputation of not doing *anything* that is not within a narrowly defined

"assessment function."

Certainly I believe that there are many unreasonable demands placed on an Assessor's office and many attempts, daily, to overburden that office. I also believe that the relationships we create with those with whom we must work need to be as cooperative as possible so that the public we all serve might be properly served. Those of us who *do* cooperate and *do* try to be understanding are generally met with cooperation and understanding from our associates. Those who *do not* try to cooperate are often the ones who end up in difficult situations.

Finally, there are those who *do* support the professionalization of the New Jersey Assessor by insisting that a given opening be filled by a properly qualified Assessor receiving proper compensation and that the opening not be downgraded to the detriment of the taxpaying public. Those who *do not* may be filling the need as understood by the local governing body but not really giving the municipality the service it needs.

In summary, we are, as a group, recognized for what we *do* and what we *don't*. I believe that we should *do* whatever we can without getting overloaded. Our primary responsibility is the task of assessing, anything else must be secondary. Also, we must remember that there is a little of each of us in all of us and that what we *do* or *don't do* is a reflection not only on us individually but on every Assessor in New Jersey. William Birchall, Jr.

IAAO MEMBERSHIP ANNIVERSARIES

Alfred Greene, Clifton—30 years
John Murray, Millburn—20 years

APPOINTMENT OF TAX ASSESSOR

As a result of the question being raised prior to the meeting of the Executive Board on February 27, 1986, it reviewed the status of certain appointments to fill the office of Assessor. The following comments are offered for the information of all members so that we can avoid potential problems.

1. The only valid appointment is for a four year term or to complete an unexpired term. Year-to-year or month-to-month appointments are not in accord with the statutes.

2. Appointment of an individual to serve as Assessor under a professional services contract is not within the intent of the law. Such appointments undermine the tenure provisions by providing the appointing authority with greater control than would be present in a statutory appointment.

3. A retiring Assessor who returns to the Assessor's office in any capacity which could be construed to be performing his or her former duties could, based upon the decision of Social Security, be deemed to be an employee of the municipality and therefore not eligible to collect a pension from PERS. Also, PERS rules have changed over the last few years as the result of court decisions, making virtually any employment, part time or full time, and any municipal earnings subject to contributions to PERS.

4. We continue to get complaints about degrading the position of the Assessor by taking positions which appear to be more than can be properly serviced by one individual. If we do not attempt to maintain the degree of professionalism needed to give our towns the service they really need, we may be unpleasantly surprised by other agencies opinions on how we should do our jobs.

Assessors receive enough complaints when they do their jobs properly. We do not need complaints, both direct and in the press, about those who have questionable positions.

Questions regarding this memo may be referred to me and/or the tri-county Vice-Presidents.

Bill Birchall

SENATE, NO. 1723

An act providing for in lieu of tax payments on State property in the pinelands area, and supplementing P.L. 1979, c. 111 (C. 13:18A—1 et seq.).

STATEMENT

This bill would establish a program under which the State would make full in lieu of tax payments to municipalities in the pinelands area for State owned land to compensate for the loss of tax revenues on property purchased by the State for recreational and conservation purposes subsequent to the enactment of the "Pinelands Protection Act," P.L. 1979, c. 111.

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ASSEMBLY, NO. 2111

An act concerning the exemption from taxation of the increase in valuation of certain property due to improvements designed to facilitate the use of property by disabled persons and supplementing chapter 4 of Title 54 of the Revised Statutes.

STATEMENT

This bill authorizes a tax exemption on improvements to dwelling houses which are designed to facilitate the use and accessibility of the house for permanently and totally disabled persons residing on the property.

The homeowner must file an application for exemption by October 1 of the pretax year and, if approved, the municipal assessor is directed to determine the assessed value of the improvements and subtract it from the total assessed value of the property. Once established, the eligibility for the exemption will remain in force for as long as the disabled person continues to reside in the dwelling and the dwelling is owned by a "qualified" permanent resident of the State.

The bill shall not go into effect unless and until a constitutional amendment, now pending as Assembly Concurrent Resolution No. 59, is approved by the voters. The constitutional amendment amends Title VIII, Section 1 of the Constitution to authorize the granting of the property tax exemption.

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"What Is Happening To The Assessor"

The Public Relations Committee held its meeting on January 21, 1986. One of the topics on the agenda was "What is happening to the assessors"? The best way to answer this question is to submit any article about the assessor to a central collection point. The Public Relations Committee would then review the articles and re-print those of general interest in the Assessors Bulletin.

Get involved in your professional organization and mail the copies of the newspaper articles to:

Dennis Raftery, Assessor
Long Branch City Hall
344 Broadway
Long Branch, N.J. 07740

If you have any questions or comments that would pertain to the Public Relations Committee, you can write to the chairman of the committee:

William Nikitich, Assessor
Township of Neptune
P.O. Box 1125
Neptune, N.J. 07754-1125

SENATE, NO. 1418

An act directing the State of New Jersey to assume 50% of the cost of revaluations of real property for assessment purposes in certain municipalities and supplementing chapter 1 of Title 54 of the Revised Statutes.

1. The State of New Jersey shall reimburse municipalities having a \$5.00 effective tax rate or over for 50% of the cost of revaluations of real property for assessment purposes conducted under chapter 1 of Title 54 of the Revised Statutes.

2. The Director of the Division of Taxation in the Department of the Treasury shall adopt and promulgate, amend or repeal all regulations necessary to effectuate the purposes of this act.

3. All moneys necessary to effectuate the purposes of this act shall be annually appropriated by the Legislature.

4. This act shall take effect immediately.

SENATE, NO. 1201

An act prohibiting spot assessments of real property under certain circumstances, and supplementing Title 54 of the Revised Statutes.

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

1. a. As used in this act "Spot Assessment" means a new assessment of any previously assessed property which is not part of a program for the revaluation of all properties within the taxing district, and which was not caused by new construction or a change in value caused by a physical improvement to or change in use of the reassessed property.

b. No assessor shall, after the effective date of this act, engage in the practice of spot assessment within a period of two years prior to the implementation of a program of general revaluation, or for a period of two years after the assessments established by the revaluation program have been put into effect. Any taxpayer that has his taxes increased due to spot assessment shall have the assessment restored to its original amount and any increased taxes paid due to the spot assessment shall be refunded to him.

2. The governing body of any municipality of the first class with a population of less than 300,000 shall, within 120 days of the effective date of this act, provide for a refunding of any increase in property taxes to any of its taxpayers which is due to a spot assessment setting a valuation on the taxpayers property in excess of the valuation assessed for the 1984 tax year.

3. This act shall take effect immediately.

ASSEMBLY CONCURRENT RESOLUTION NO. 73

The Legislature may enact general laws under which municipalities may adopt ordinances granting tax abatements on newly constructed low and moderate income housing units and on the land comprising the premises upon which the units are erected. Such abatements shall be for limited periods of time as specified by law, but not in excess of five years.

TAX ASSESSORS WANTED

Borough of Tuckerton is seeking a part-time Tax Assessor. Salary negotiable. 1,800+ line items. Approximately 3.7 square miles. Contact Tuckerton Borough at (609) 296-2701. Send resume to: Grace DiElmo, Borough Clerk, 140 E. Main St., Tuckerton, NJ 08087.

Assessor—Township of Morris, Morris County. 6,670 line items in 1986, full time position C.T.A. required. Send resume to: Administrator, Township of Morris, CN 7603, Convent Station, N.J. 07961.

The Borough of Washington, County of Warren, is currently seeking resumes from State Certified Tax Assessors. The job as presently structured is full-time when combined with the positions of Zoning Officer and Planning Board Clerk. Separate part-time appointment as Tax Assessor only will be considered. The current salary range is \$12,000.00—17,800.00 for Tax Assessor. Current pay for Zoning Officer/Planning Board Clerk is \$6,200.00. The number of line items are approximately 2200 and a revaluation in 1987 for the 1988 tax year has been ordered by the County Tax Board. The population of the Borough is 6,427 based on 1980 Census data and its State equalized value in 1986 was \$143,298,366.00.

Please send resumes to Linda L. Connelly, Borough Clerk, 100 Belvidere Avenue, Washington, NJ no later than June 3, 1986. The Borough is an equal opportunity employer.

ASSISTANT DEPUTY ASSESSOR

Under the direction of Deputy Assessor to assist in all matters dealing with assessment functions and duties as assigned. A minimum of 10 years comprehensive and direct experience required in revaluation/reassessment and related real estate tax assessment matters. Major activity will be to assist in a reassessment program during its implementation with heavy orientation toward computer applications. It is estimated this position will be for a duration of three years.

Submit resume to: G. Fred Burlazzi, MAI, Deputy Assessor, City of Clifton, Assessor's Office, City Hall, Clifton, New Jersey 07013.

SENATE, NO. 1383

1. A person who attains age 65 and who qualifies for a real property tax deduction under p.L. 1963, c. 172 (C. 54:4—8.40 et seq.), shall be entitled to a pro rata senior citizen's tax deduction for the first year based on the number of days remaining in the tax year on the day on which the senior citizen has attained age 65 divided by 365 days.

2. This act shall take effect immediately.

LOCAL PROPERTY TAX—Error in Assessment Resulting from Decimal Point in Wrong Place in Frontage Figure Is Correctable—The Appellate Division of Superior Court reversed the Tax Court's oral decision and held that an error in a property tax assessment because an assessment company failed to put a decimal point in the frontage figure to be applied by the assessor, charging the taxpayer with 580 front feet when he had only 58.0 front feet, is an error correctable in the Tax Court under the correction of error statute, N.J.S.A. 54:2-41. (That statute has since been repealed and replaced with N.J.S.A. 54:5 A-7, P.L. 1945, c. 45, effective January 28, 1983). Everyone in the municipality connected with taxation concedes that because of the error, the taxpayer was being assessed four times more than he should have been.

The court said that the statute should be construed liberally, rather than narrowly as the Tax Court believes proper. Here, a gross mechanical error occurred that did not involve subjective judgment or opinion of the tax assessor and it should be corrected pursuant to statute.

The Appellate Division reversed the Tax Court and remanded the case for further proceedings.

Sabella v. Lacey Twp.—205 N.J. Super. 55 (App. Div. 1985).

CHAPTER 395, LAWS OF 1985 ENACTED

Assembly Bill No. 2246 was signed into law by Governor Thomas H. Kean on December 20, 1985 and became Chapter 395, P.L. 1985.

The new law amends N.J.S.A. 54:4-3.6 to provide for the taxation of any portion of a building owned by exempt associations and corporations organized for the mental and moral improvement of men, women and children when such portion of a building is leased to a profit making organization or is used for non-exempt purposes, and the remaining portion only shall be exempt.

Chapter 395, in effect, no longer requires "exclusive use" of the entire building as a prerequisite to exemption concerning such associations and corporations which are otherwise qualified under the Act. Prior amendments have provided for pro-rating of the tax regarding exempt educational institutions, hospitals and other types of organizations enumerated in the law, but excluded "associations and corporations organized exclusively for the mental and moral improvement of men, women and children."

The new law took effect immediately and is applicable for the tax year 1986 and thereafter.

Assessors, County Tax Administrators and County Tax Board Commissioners are urged to review the new law carefully.

LEGISLATIVE NEWS



On April 8, 1986, the League of Municipalities circulated a flyer to all municipalities. It concerned the assessment of oil storage tanks. On Monday, March 31st and April 7th, the Senate County and Municipal Government Committee conducted a hearing on S-1858, (allowing the assessment of storage tanks as real property). It was quite evident from the outset that there would be much discussion provided the committee from both the opponents and proponents of this proposal. On April 7th hearing the bill was favorably reported out of the committee on a 3-2 vote along party lines. Based on this vote I feel much apprehension concerning the passage of this bill. The importance for the need of the enactment of this proposal must be driven home by each and every assessor to their respective legislator. Within the past few years we have seen the loss in municipal revenue from the AT&T divestiture, the lessening of the gross receipts and franchise tax by the Governor and now this attempt to have storage tanks declared personal property. I have great fears that if this comes to pass it will be a forerunner for the declaration of other property such as "Butter" type buildings, silos, barns, sheds, garages, etc. also being recognized as personal property and further shifting the tax burden to other municipal property owners or further budget adjustments that would greatly affect municipal operations. Assessors are urged to contact your legislator in both the House and Senate and to also ask your governing bodies to actively support the enactment of this proposal. I could never be more sincere when I state that we face an extremely great uphill endeavor before we will be able to see this proposal become law.

On Thurs., April 10th, the legislative committee met and reviewed many proposals of which I hope that the list or part of the list is published somewhere in this bulletin. I would like to comment on two other important proposals that the committee approved.

The first bill is A-1373, sponsored by Assemblyman John Doyle. The bill provides that if a petition of appeal is filed 19 days next preceding August 15th, 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 proposal is deemed as being necessary since the court rejected three municipal counterclaims filed after the Aug. 15th deadline when the taxpayer appealed on the final day.

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The other proposal is A-709 which calls for the elimination of the "Freeze act". With the introduction of Ch. 123, and the current hearings by the Tax Court, it is felt by many assessors that the "freeze act" is no longer necessary.

George Harraka, Chairman

SENATE, NO. 1437

An act authorizing the reduction of tax arrearages in cities of the second class under certain circumstances, and supplementing chapter 4 of Title 54 of the Revised Statutes.

1. Whenever, in a city of the second class, the governing body shall determine that the reasonable prospects for redevelopment of any real property, which is or was in the possession of or under the control of a trustee in bankruptcy or other officer appointed by a court pending proceedings constituting an impediment to municipal lien enforcement measures, are and will be substantially impaired by reason of the interest or penalties on any tax arrearages which shall have accrued during the pendency of the bankruptcy proceedings, and shall determine also that the property was vacant during the pendency of bankruptcy proceedings and is or is likely to become, if not redeveloped, a blight upon the surrounding properties, the governing body, by resolution certifying said circumstances to exist, shall be empowered to reduce the total tax arrearage by a sum equal to the accrued interest and penalties.

EXECUTIVE COMMITTEE MEETING THURSDAY, FEBRUARY 27, 1986

CORRESPONDENCE—1. Letter from Tom McCullum, Chairman, Condominium Committee requesting a Rutgers sponsored Condo Seminar. The Department of Community Affairs would be happy to supply a speaker. This was referred to the Education Committee. 2. Letter from John R. Baldwin, Director, acknowledging receipt of AMANJ's Resolution #85-1 regarding payment of taxes as a prerequisite to filing an appeal. Mr. Baldwin acknowledges that disparity exists because of the different standards set forth in the legislative enactments covering treatment of appeals at the County Board of Taxation and the Tax Court levels. Mr. Baldwin has forwarded a copy of our resolution to the Association of County Board Commissioners and Administrators for their input. 3. Resolution from Morris County Assessors Association.

President Birchall outlined some basic concepts which he believes we should follow: (1) It is extremely important that this board present a unified front to the membership once an issue has been argued and settled at a board meeting. (2) Most major (long range) decisions should not be made by the President alone. He will seek input from the Executive Committee, if necessary, the full membership.

(3) Our answers to today's problems must relate to today's realities. We should use the past only as a foundation on which to build toward the future. We need to focus on where we want to go rather than where we are coming from.

Roy Taylor recommended that a letter be sent out to the county Presidents to investigate how many retired assessors are involved as consultants for municipalities.

Ed Rosenblum reported that the Supreme Court granted certification in the Chapter 220 case in behalf of the League of Municipalities to review the decision of the Appellate Division.

Ed started action in the Superior Court Law Division on behalf of Margaret Jeffers and requested that the matter be assigned to a Tax Court Judge for hearing. Judge John Hopkins heard the case.

The governing body of Jersey City adopted a resolution which directed the 1985 assessments to be rolled back to the 1984 level—in essence the governing body was telling the Assessor how to formulate assessments and what level they should be formulated. Another resolution directed the Assessor to cease reassessing any residential properties based solely on recent sales price of the properties themselves or any neighboring properties being comparable and directed any reassessment await a full and complete revaluation of the city. A third resolution limited the scope of the services of the ex-

pert witness retained by Jersey City to assist the Assessor in defending appeals before the County Board of Taxation to those cases which were not the subject of assessment increases following recent sales. The expert witness could defend any of the other properties.

At first the County Board supported Margaret, however, they suddenly issued ammended judgement and cut the increases by half.

Judge Hopkins found that the political interference presented in the Vince McGuire case was not presented in Jersey City.

Mr. Rosenblum recommended that we decide if he wanted to appeal the Judge Hopkins' decision to the Appellate Division. Victor Hartsfield moved that we take immediate action. Motion passed.

In the January issue of the League of Municipalities magazine an article appeared that states the Assessors property record cards are public records. Ed stated that the only case he knows of, the Deliea vs Kiernan, ruled that they are not public records, except for an owners own property record card, or property record cards that are being used in an appeal. Ed was asked to do some research to ascertain if there is a later decision, and to write a letter to be published in the League of Municipalities magazine and to also send a copy to Lou Schick to be included in the Assessors Bulletin of the findings.

REDI has been filming the most current set of tax maps and obtaining a magnetic tape copy of the corresponding assessment roll information in a majority of the municipalities in the State of New Jersey and selling this information to interested parties. REDI has asked the AMANJ to help them obtain permission from the balance of the municipalities to film this information. Mr. Rosenblum said that there has been no reported court cases in New Jersey in regard to whether or not the assessment roll magnetic tape is public record. The tax list and the tax maps are public records and a case in New Hampshire ruled that the mag tape was also public records.

President Birchall was asked to talk to Director Baldwin to ascertain his feelings on this matter.

Charlie Shutt made a motion that a committee be appointed to research this quesiton, committee to be appointed at a later date. Motion passed.

The committee appointed to review George Haraka's and Margaret Jeffers' problems, consisting of Bob Ebert, Chairman, Bob Pastor, Charlie Shutt, and Victor Hartsfield, recommended that the information gathered by them be forwarded to Director Baldwin after our attorney has had a chance to review and comment on the report. Bob's commit-

(continued on page eight)

Association of Municipal Assessors of New Jersey

NEW JERSEY ASSESSORS BULLETIN

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

Quarterly Publication

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ONE MAN'S OPINION



Senate No. 1201 would prohibit spot assessments of real property under certain circumstances.

It says no changes can be made within a period of two years prior to the implementation of a general revaluation or for a period of two years after a revaluation.

How can an assessor foresee when he will have a revaluation?

The assessor may know that his municipality needs a revaluation but to get the governing body to put one into effect is another story. Regardless of how badly one is needed, the financial and political ramifications of a revaluation prohibits many officials from putting one on the books.

Further, if a reval is made, why should the assessments be frozen for two years? In these inflationary days when selling prices of certain types of properties are skyrocketing, assessments should be changed to insure that all pay their fair share of taxes.

Last, the bill states that in municipalities of less than 300,000 shall make refunds under certain conditions. What about the towns over 300,000? This is discriminatory and penalizes the smaller towns to the benefit of large cities.

I would vote against S1201.

Remember, this is One Man's Opinion.

Louis Schick, Editor

Sam Temkin, Assistant Director Division of Taxation sends his thanks to all of his friends who wished him well during his hospital stay. He is home recuperating and can't wait to get back to the office.

ANOTHER MAN'S OPINION

Dear Sir:

The letter from John C. Rainey, superintendent, Local Property Tax Branch of the Division of Taxation to All Assessors dated December 9, 1985 in which he recommends that we adhere to the New Jersey Tax Court ruling of July 2, 1985 where underground fuel storage tanks were held to be personal property (Exxon Corporation against Township of East Brunswick, et al) raises a few questions that have been nagging at me for quite some time.

Paragraph 4 of the letter states that the court cited several factors:

1) "... tanks are removable without material injury to the land". Doesn't this apply to all improvements? Who can forget the sight of one of those taxable venerable hotels in Atlantic City cascading down after being dynamited? I'm sure that any bruises to the land caused by the demolition were easily bandaged and cured by the prospects of casino millions. Doesn't this prove that just about any structure can be demolished without material injury to the land?

2) "... there is no physical annexation of the tanks to the land." What about built-in swimming pools? An analogy can be found in the comparison, with no offense to either party, between the tanks and a child in a mother's womb.

The child being the tank, the umbilical cord, the fuel lines, and the land, the mother. Can we then deduce that there is no physical annexation of the child to the mother?

3) "... No permanent accession of the tanks is intended." If accession in this case means, "the act of becoming joined," then I don't know of any structure that would qualify.

To quote someone "Nothing is permanent."

John Scaturro, Jr.
 Assessor West Orange

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(COMMITTEE MEETING con't)

tee further recommended that the AMANJ pursue, through Legislation or the changing of rules and regulations, an act that will allow the Tax Assessor to file a tax appeal in defense of his/her assessments without concurrence of Municipal Council.

Kendra Golden reported that Otto Mutzberg's case was heard by Judge Evers and he declared that the Municipality's attempt to interfere with the duties of the Assessor was invalid. However, Judge Evers found that the Municipality was justified in increasing Ott's work hours from 7½ per week to 15 per week due to the fact that Otto was receiving \$25,000 per year.

President Bill Birchall directed the Equity 21/Tax Commission Committee, chaired by John Murray, to meet as soon as practical to discuss the important issues brought out thus far by the study and prepare to present the Association's position to the Commission.

President Birchall believes that we must be prepared to give a firm, unified response to this project and represent our Association as the professional minded organization most of the membership wants it to be.

COMMITTEE REPORTS

Awards—Joyce Jones

Joyce asked the Association to outlay \$3,500.00 to order 500 Association pins with the AMANJ logo. The pins should be available by the June Conference. Victor Hartsfield made a motion that we authorize the committee to expend up to \$3,500.00 for the pins. Motion passed.

Atlantic City—Vicky Mickiewicz

Committee is looking for suggestions for *good* speakers. Also would like to receive donations from Counties as well as individuals, for the Hospitality Room.

Public Relations—Bill Nikitich

Committee would like to have the present pamphlet updated and would need \$125.00 to have a sample made. Walt Kosul made a motion to authorize the expenditure of \$125.00 for the Public Relations Committee. Motion passed.

Roy Taylor asked what the Association has done about Somerset's request of last year to get started on a re-education program. Bill Birchall replied that there should be a report ready by the next meeting.

Legal Fund—Ralph Todd

Balance in Legal Fund as of 2/24/86—\$13,961.24.

There being no further business, the meeting was adjourned at 2:30 p.m.

Vicky Mickiewicz, Secretary

Thought: If you don't take your lawyer's advice, do you still have to pay him?

NRAAO CONFERENCE

The NRAAO Committee is interested in having a full count in all those planning to attend the conference in June 1986.

The purpose is to arrange for a chartered flight to Boston and from Boston to St. John, New Brunswick via Air Canada.

Thus far, we have received responses from 25 persons interested in these accommodations.

I am therefore requesting any and all persons who will be attending the conference, to advise me as soon as possible by filling out the attached form and returning it to:

Victor A. Hartsfield, Sr.
Department of Property Taxation
City Hall
44 City Hall Plaza
East Orange, New Jersey 07018

SENATE, NO. 1525

An act concerning property tax deductions in certain cases, repealing section 1 of P.L. 1945, c. 260 and supplementing chapter 4 of Title 54 of the Revised Statutes.

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

a. The governing body of any municipality may, by ordinance, determine to provide its real property owners with a property tax deduction for certain losses in taxable value of property pursuant to the provisions of this act. If such an ordinance is adopted, whenever any parcel of real property containing any building or other structure has been destroyed, consumed by fire, demolished, or altered in such a way that its taxable value has materially depreciated by the action of storm, fire, cyclone, tornado, earthquake, flooding or other casualty, the assessor of the taxing district, upon notice of the property owner, shall, after examination and inquiry, determine the taxable value of that parcel and property as of the date of the loss.

If the assessor determines that the taxable value of the affected parcel and property has depreciated by 50 percent or more, he shall forthwith so notify the governing body of the municipality and the tax collector of the taxing district.

EDITOR'S NOTE

In the last issue of the N.J. Assessors Bulletin a state salary ranking table was printed. Credit was given to the Connecticut Assessors periodical. Credit should have been given to the IAAO's research department.

A man came in recently to apply for auto insurance. His driving record was so poor, the police had given him a season ticket.

ANOTHER MAN'S OPINION Farmland Assessment Advisory Committee Valuations Are Suspect

As the assessor of a predominantly agricultural community, I have for some time been concerned with the agriculture value of farmland. Based on all the analysis I conducted, including income analysis, rental analysis, and sales analysis, all from data I collected over a seven year period. I could not rationalize the values for farmland valuations promulgated by the state Farmland Assessment Advisory Committee (it seemed unrealistically low). I even went as far as consulting with Dr. Robert Sudar of Perdue University, an agricultural economist and a recognized expert in farm appraisals. He reviewed in detail the methodology developed by Dr. George Luke of Rutgers, the method used by the Advisory Committee for Farmland Valuation, and he came to the conclusion that their methodology was not in accordance with currently accepted agricultural economic theory. Similar discussions with Dr. George Kessler of Cornell and Dr. Tom Miller of Colorado State Universities led to the same conclusion.

On Saturday, June 8, 1985, our contention with regard to the unrealism of the Advisory Committee's Farmland Valuations was supported when, in the firehouse of the village of Chesterfield, Burlington County, Louis Traiman Auction Company sold 608 acres of farmland offered by the Freeholders of Burlington County. The Freeholders, concerned about the loss of agricultural land in the county, purchased the land from speculators who were planning to develop it and offered it for sale to the general public with an agricultural restriction in the deed that exists into perpetuity. The restriction provides that the land will be used permanently for agriculture, can never be developed beyond the building of one house on each of the five parcels offered and may never be subdivided.

The sale was well publicized and each prospective bidder was allowed to inspect the land the Wednesday before the sale and was provided with maps, surveys, wording of restriction and other information relative to the details of the sale and the restrictions on the land. In short, each bidder was well informed as to what he was about to be engaged.

The day of the sale was rainy, but that did not deter the attendance. There were some 200 individuals, including bidders, realtors and the curious.

The land was sold by the acre, that is, each of the five parcels were sold by the unit acre price. Thus, if you were the successful bidder at \$2200/acre on the 69 acre Glock farm, your bid would be \$2200

and the settlement price would be \$151,800. Each of the parcels was sold in this manner. The sale moved quickly and was completed within one hour after its initiation. The results were as follows: the 149.65 acre Jobes farm and the 168.8 acre Van Trevrin farm were purchased by a grain farmer from Columbus, N.J. for \$1900/acre and \$1575/acre respectively. I had the privilege of sitting next to this individual and can attest to his knowledge of acquisition. The 121 acre Emory farm and the 100.3 acre Arnold farm were sold to a realtor-horseman at \$1225/acre and \$1525/acre respectively. This gentleman plans to raise horses thereon. Finally, the last parcel, the 69.27 acre Glock farm was sold to a corporate pilot recently retired from the Air Force for \$2200/acre. This gentleman will raise horses and vegetables. Only one of the parcels, the Glock farm had a house on it with any reasonable value.

As a final point, the County Freeholders commissioned an appraisal on the parcels prior to the sale. The appraisal by Todd & Black showed values significantly higher than that indicated by the Advisory Committee Report for 1985 in Burlington County, but were in the range offered by knowledgeable farmers at public auction. The recommended valuation offered by the Advisory Committee is less than \$500/acre for the best land. The Advisory Committee and the Cook College (College of Agriculture) must come to grips with reality and adjust their valuations to reflect what professional farmers are willing to pay for agricultural land. I realize that we are losing farmland in this state every year to development and what I suggest is akin to heresy. But placing ridiculously low valuations on farmland has been proven only to benefit the speculator who can now hold such land for longer periods at cheaper prices. I suggest that unrealistic valuations have only accelerated land speculation and has driven a valuable resource and a rich culture from our state.

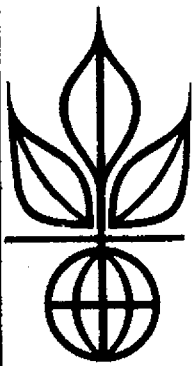
Thomas M. Seiler, Assessor Upper Freehold

WOODBIDGE PROPOSES SENIORS DEFERRAL

The Township of Woodbridge has proposed that qualified senior citizens be allowed to defer payment on property taxes until their homes are sold.

The deferment would be for a maximum of 25 years but when the house is sold or the owner dies, the Township would receive the total amount of deferred taxes, plus interest and a small service fee.

The Woodbridge Law Director believes a law passed by the state during the Depression makes this proposal legal but thinks a change in the legislation should be enacted to bring it up to date.



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IAAO

The IAAO is conducting National Assessment Survey which will be called "The Jurisdiction Survey" 1986.

The "Jurisdiction Survey" will go to over 11,000 assessment offices in the United States and will solicit information on items such as: budgets, staffing, office equipment, maps, computer equipment, training, certification, jurisdiction size, real property parcel count and personal property accounts. The purpose is to update their "data bank" in Chicago which provides such information to their membership.

Although New Jersey has only 567 Jurisdictions of the 11,000 in the United States, our current Equity 21 Committee has and will continue to use Country-wide analysis in their reports. Whether you are a member of the IAAO or not, you are requested to complete and mail in the report within the next few months.

The latest edition of the IAAO Assessment Digest magazine cited Al Greene for completing his 30 years membership and John Murray and Sid Glaser for completing 20 years as members.

The IAAO Conference for 1986 will be in San Francisco, Sunday, September 28 through Wednesday, October 1. **Charles J. Shutt**

ASSEMBLY, NO. 1591

An act concerning conditions of exemption from taxation of real property owned by governmental entities and supplementing chapter 4 of Title 54 of the Revised Statutes.

1. Notwithstanding the provisions of any other law, rule or regulation to the contrary, real property of the State and its political subdivisions exempt from taxation pursuant to the provisions of R.S. 54:4-3.3, but which is used for agricultural purposes, commercial or otherwise, or for passive recreational purposes by any person for part of the calendar year shall not thereby be assessed and taxed as real property.

FOX-LANCE ABATEMENT EXTENSION PROPOSED

An Assembly committee proposed legislation that would extend the 15 year Fox-Lance abatement to another 15 year period.

The purpose of the bill (A-1898) is to prevent increasing rentals that could, conceivably, drive business from towns and halt the rebuilding programs in cities like Newark.

Proponents of the bill point out that in one case, when the tax abatement expired, the tax bill skyrocketed from \$50,000. to \$300,000. Increases like this could triple the rental income of tenants, either forcing them out of business or making them move to another location.

The extended agreement would, in most cases, provide the municipalities with more income than the previous payment for the first 15 years. It would also require an investment of five percent of project costs into property improvements every five years.

ASSEMBLY, NO. 1558

An act concerning the refund of excess taxes upon successful appeals from assessments and amending P.L. 1975, c. 361.

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

2. In the event that a taxpayer is successful in an appeal from an assessment on real property, the respective taxing district shall refund any excess taxes paid, together with interest thereon from the date of payment at a rate [or 5% per annum] *equal to the rate the taxing district charges on delinquent tax payments*, less any amount of taxes, interest, or both, which may be applied against delinquencies pursuant to P.L. 1983, c. 137 (C. 54:5-134 et seq.), within 60 days of the date of final judgment.

2. This act shall take effect immediately.

They've perfected a computer that's so human it comes in late on Mondays!

IN MEMORIAM

Joseph Crane, former president of the Association of Municipal Assessors of New Jersey, passed away on April 4, 1986, less than three months after retiring as the assessor of Deptford Township.

Joe had been an assessor since 1966 when he started his career in Clayton Borough.

Joe was secretary of the State Association in 1975 and 1976 and served as President in 1978-9. He then became Treasurer in 1982 through 1986. In 1979 Joe received the Small Municipal Mayors Award.

Joe, who was 63, died while vacationing in Florida.

SENATE, NO. 1155

An act to amend and supplement "An act concerning certain deductions from the taxes against the real and personal property for citizens and residents of this State now or hereafter 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; and for certain widows, during widowhood and while residents of this State, of certain citizens and residents of this State who had active duty in time of war in any such service, supplementing chapter 4 of Title 54 of the Revised Statutes, repealing chapter 184 of the laws of 1951," approved December 16, 1963 (P.L. 1963, c. 171).

STATEMENT

This bill would make the veteran's property-tax deduction available to those veterans whose home-ownership is in the form of shares in cooperative housing. Existing legislation on veteran's deductions does not contemplate this form of ownership, though it does allow the deduction to the analogous cases where the veteran holds title to property as a partner or joint tenant. Since in the cooperative form of ownership the actual title is held only by the cooperative cooperation as an entity, the individual shareholders have been unable to qualify under the present law.

This bill allows the shareholder to qualify as an "owner" for the purpose of claiming the deduction, and establishes an administrative framework for passing the benefit of it to him through the cooperative to which he belongs. It follows the principle recognized in previous legislation (P.L. 1977, c. 241), which enabled such shareholders to qualify for homestead tax rebates.

HOSPITALITY ROOM

Once again, your Association is planning to sponsor a Hospitality Room at the League of Municipalities Conference in Atlantic City, November 18/21 1986.

At this time we especially would like to thank the County Associations and individuals who contributed to the support of last year's Hospitality Room.

We are asking for your financial support for the Hospitality Room. With prices continuing to rise, we need the help of every County Association in order to continue to have a place to meet and chat with our peers on the many subjects of interest. Judging by the number of people getting together in the room each night, it would seem beneficial to continue our own Hospitality Room. However, it should be an endeavor supported by all of us, or it will fail and have to be discontinued.

If each County Association would raise \$100.00 it would be a great help. One suggestion is to hold a 50-50 at your meetings or if each member would contribute five or ten dollars it would be easy to raise \$100.00. Let us have 100% participation and not leave it up to a few to pay for something that all of us can enjoy.

Contributions should be made payable to: New Jersey Assessors Hospitality Fund, and forwarded to—Vicky Mickiewicz, P.O. Box 123, Toms River, N.J. 08754.

Details will be presented at the Rutgers Conference.

ASSEMBLY, NO. 1338

An act to repeal R.S. 54:51A—8.

STATEMENT

R.S. 54:51A—8, commonly known as the "Freeze Act," provides that judgment by the tax courts involving real property shall be conclusive and binding upon the municipal assessor and the taxing district for the assessment year covered by the final judgment and the following two assessment years.

During the three-year "freeze" period, a municipality may not apply for an increase, but the taxpayer may petition for a further reduction.

Consequently, a taxpayer can, by regularly appealing for a decrease, indefinitely limit ("freeze") his property tax liability—even if the tax court denies his appeal—since each decision would constitute a conclusive and binding judgment on the taxing district.

The inappropriate application and utilization of the "Freeze Act" deprives local taxing districts of substantial tax revenues and it should, therefore, be repealed.

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ASSEMBLY, NO. 1914

An act concerning certain reassessments in cities of the first class and supplementing chapter 4 of Title 54 of the Revised Statutes.

1. Notwithstanding any provision of law or any judicial order to the contrary, municipal governing bodies in cities of the first class with a population of less than 300,000, according to the most recent decennial federal census, may by ordinance direct the tax assessor of the taxing district to revise tax assessments to the assessed value established pursuant to R.S. 54:4-23 on October 1, 1983, for those residential and apartment properties existing as dwelling units on October 1, 1983, that had their assessments increased for the tax years 1984 to 1986, inclusive.

Property tax assessments determined by the raising of assessments on particular properties while disregarding all like properties, or the raising of all assessments within a limited area while disregarding all properties outside that area within a taxing district results in arbitrary discrimination. This bill invalidates such discriminatory assessments on residential and apartment properties and rolls back these assessments to the assessments that existed on October 1, 1983 prior to such discriminatory assessment practices.

ASSEMBLY, NO. 1871

The purpose of this bill is to allow the surviving spouse of a senior citizen or a permanently and totally disabled person to collect the deceased spouse's real property deduction if the deceased spouse was eligible for the deduction or the surviving spouse moves to a new home. Under current law, a surviving spouse may not collect the deduction if the deceased spouse, although eligible, never received it or if the surviving spouse changes residence.

This bill is designed to implement the provisions of a constitutional amendment now pending before the Legislature as Assembly Concurrent Resolution No. 19 of 1986. None of the bill's provisions would become operative until the proposed amendment becomes part of the Constitution.

ASSEMBLY, NO. 1941

This bill would extend the expiration of the "Pinelands Municipal Property Tax Stabilization Act of 1983" from 1987 to 1989 to better enable the State to aid in the stabilization of property tax rates in the Pinelands area by continuing to counter the effects of reduced land values for vacant land occasioned by development restrictions imposed pursuant to the "Pineland Protection Act," P.L. 1979, c. 111 (C.13:18A-1 et seq.).

Association of Municipal Assessors of New Jersey

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