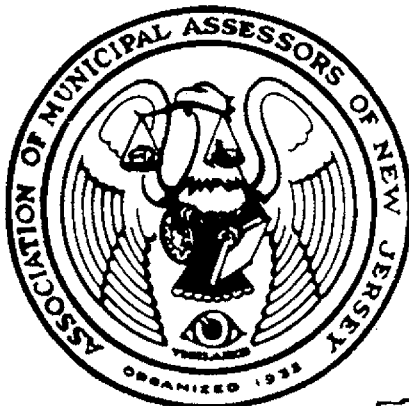


# New Jersey



## Assessors



MEMBER  
International Association  
of Assessing Officers

## Bulletin

Vol. 25, No.3

AUGUST 1986

### PRESIDENT'S MESSAGE



When the telephone rings, I never know what to expect when I answer the call. It may be an Assessor with a problem, a state or county official with a matter relating to our Association or, as happened recently, a local official with a question regarding finding a new Assessor.

The first of the two calls I received on this topic was from a retired individual who, because of his background in our profession, was asked for an opinion concerning the vacancy and called to inquire about salary and time guidelines. The second call from an official of the town, referred to me by the first caller, was more to the point.

As it turns out, the present Assessor is respected by both the government of the town and the taxpayers. He was considering making a move, possibly only for financial reasons. My conversation with the official related to the wisdom of letting this experienced Assessor, who "knows the territory" and has respect in the community, be lost to the town because of an apparent financial problem. My parting comment, which was well received by the caller, was for him and the governing body to "not gyp the town" by sacrificing ability for monetary savings. Later, as I thought about the call and the dedicated, respected Assessor involved, my thoughts wandered to the Assessors who do not enjoy the same respect as the one in question.

As this column is being written, we are less than

one week away from the scheduled release of the final Equity 21 report. Those of us who have reviewed the portions of the report that have been released so far are anxious to see the final report so that we can plan the Association's response to the Touche-Ross recommendations. This is an important time for the New Jersey assessment community and, if requested, your input to me, your state Vice-President or your County President is important to our collective future as Assessors in New Jersey.

This past weekend was "Liberty Weekend" and was widely celebrated by those of us who are in areas close to the Statue of Liberty. We should all pause to consider the importance of the freedom, represented by the Statue, that we enjoy in this great nation. As one example, we have the ability, without fear of retribution, to respond to studies such as Equity 21 and to have our voice heard. However, with that right comes the responsibility to do our part in preserving not only our freedom but the principles of public involvement in, and awareness of, the governmental process of which we are a part.

William Birchall, Jr.

**LOCAL PROPERTY TAX-Farmland Rollback Tax Assessment-Limited Dividend Housing-Change in use from farmland to limited dividend housing does not relieve land from rollback tax even though taxing district has entered into a tax-abatement agreement for housing project that relates to future tax payments. Taxing district does not have power to waive rollback taxes.**

**S.J. Associates, Ltd. v. East Windsor Township-N.J. ATax-(Tax Court of New Jersey, December 31, 1985).**

## TAX ASSESSORS CERTIFICATES

Twelve persons qualified to become municipal tax assessors by passing an examination conducted by the Division of Taxation on March 22, 1986.

Forty persons took the six-hour exam held simultaneously at three locations in the State.

The examinations are offered twice each year, in March and September, and are held in accordance with the Assessor Certification and Tenure Act which requires that anyone assuming office as tax assessor on or after July 1, 1971 must hold a Tax Assessor Certificate.

Those who received passing grades are as follows:

**BERGEN COUNTY:** Barbara A. Senft, Oakland Borough

**CAPE MAY COUNTY:** Thomas G. Glock, North Wildwood City

**CUMBERLAND COUNTY:** William R. Hayes, Maurice River Township; Donald P. Seifrit, Vineland City

**HUNTERDON COUNTY:** Jess A. Salmon, Bloomsbury Borough

**MERCER COUNTY:** Thomas A. De Martin, Trenton City

**MIDDLESEX COUNTY:** Dolores M. Smith, East Brunswick Township; Gordon D. Lynn, Middlesex Borough

**MONMOUTH COUNTY:** Mary V. Clancy, Middletown Township; Louis A. Sorce, Red Bank Borough

**PASSAIC COUNTY:** Curt T. Masklee, Totowa Borough

**SOMERSET COUNTY:** Jane E. Schneck, Montgomery Township

## SENATE, NO. 1908

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

### STATEMENT

This bill provides that no contract for a valuation or revaluation of real property shall be approved by the Director of the Division of Taxation unless that contract includes a provision requiring the contractor to mail to each property owner, as part of the notice indicating the appraisal value of the property, a copy of the information which will be used to calculate the assessment of that individual's property. The manner and form of presenting the required information is to be prescribed by the director.

## What Could Be Better Than UNIVERS?

UNIVERS with LANDISC. UNIVERS stands on its own—a complete property tax system that offers assessors a unique range of capabilities for all types of appraisal functions.

LANDISC complements UNIVERS with visual images of selected properties—including addresses—for verification, comparison with other properties, or discussion with the owner. And all with a microcomputer!

For information on a UNIVERS/LANDISC system for your municipality, write or call us today!

## Real Property Appraisers

a division of Cole-Layer-Trumble Company

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

279 Grove Street  
Jersey City, NJ 07302  
201/332-8250



**LOCAL PROPERTY TAX-Valuation-Freeze** Act-Borough taxing district appealed from determinations of true value in the Tax Court for tax years 1977-80. Superior Court, Appellate Division, affirmed the Tax Court and held that:

(1) Freeze Act amendments substituting phrase, "final judgment," for phrase, "judgment final," operated to provide real property taxpayers relief under the Act, regardless whether the right to an appellate remedy had expired or had been exhausted. Hence, upon finding true value of this property for 1977, the Tax Court properly proceeded to apply the Act to carry that value through the two succeeding assessment years as well, though taxing district's right to appeal had apparently yet to expire or be exhausted, and

(2) Trial court properly entered judgments for 1977 through 1979, based on capitalized income where the taxing district failed in its proof concerning quantum of potential condominium conversion value.

**LOCAL PROPERTY TAX-Valuation of Condominium Conversion-Condominium conversion** value was rejected because the property was found not ripe for conversion. Actual rents less than the maximum permitted by the rent control ordinance were found to be uneconomic. The use of an unweighted, unclassified ratio in lieu of the ratio provided in N.J.S.A. 54:51A-6 (c. 123) was rejected.

# APPLIED COMPUTER TECHNOLOGY

Division of L & J Technical Services, Inc

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

## SPECIALISTS IN:

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

## ASSESSORS WANTED

**ASSESSOR**—Township of East Brunswick, Middlesex County, 15,000 line items, 23 square miles. Applicants must hold a valid New Jersey tax assessor's certificate and have strong communication skills. Applicant should have experience in defending assessments in the New Jersey Tax Courts, knowledge of revaluation or reassessment methods, computer operations and both residential and commercial property evaluation. Applicant should preferably have at least 3 years experience in tax assessment as an Assessor. All applicants should submit a complete resume to Township Administrator, 1 Jean Walling Civic Center, P.O. Box 218, East Brunswick, N.J. 08816. Equal Opportunity Employer.

**TAX ASSESSOR**—Township of Scotch Plains. Full-time position. Present Assessor retiring after fourteen (14) years of service in October. CTA mandatory. Approximately 7,300 line items. Good communicative skills essential with experience in tax assessment profession as an assessor or assistant assessor. Applicants should have experience or knowledge of computer operations, revaluation or reassessment methods, and evaluation of all classes of property (residential, commercial, farm etc.). Council-Manager form of government. Salary negotiable depending upon experience. Applicants should submit a complete resume to Thomas E. Atkins, Municipal Manager, 430 Park Avenue, S.P. 07076. Equal Opportunity Employer.

### LOCAL PROPERTY TAX-Valuation of Pipeline

-A segment of interstate natural gas pipeline is special purpose property to be valued for local property tax assessment purposes free and clear of regulation that restricts the pipeline company's income. The court held it is improper to use depreciated historical cost or "book value" as basis for valuation.

**Transcontinental Gas Pipe Line Corp. v. Bernards Township-N.J. Tax**-(Tax Court of New Jersey, July 23, 1985).

**LOCAL PROPERTY TAX-Valuation**-The Appellate Division reversed the Tax Court and remanded this case for a redetermination of true value without regard to any potential for condominium conversion. The Tax Court, in its opinion of June 3, 1985, had included in the true value of rental property the potential for condominium conversion.

The Appellate Division held that in demonstrating the true value of rental property, a recognition of the market potential for conversion requires not only evidence of a market for condominium development, but also evidence of quantified value. Here, where the taxpayer insists that it is nonexistent and the defendant is unable to show its worth, the Tax Court's judgment that "conversion potential" be factored into true value as a condition to relief from the County Board of Taxation's determination is vacated. The matter is remanded for a redetermination of true value without regard to any potential for condominium conversion.

**American Assoc. v. Fort Lee**-(App. Div. 1985) (currently unreported).

## ASSEMBLY, NO. 2184

An act concerning real property tax deductions and amending P.L. 1976, c. 129.

### STATEMENT

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 tax deduction if the deceased spouse was eligible for the deduction and 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 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.

**Procrastination is the art of keeping up with yesterday.**

## EQUITY 21 RECOMMENDATIONS

At a meeting in South Brunswick on July 18, the results of the Equity 21 survey were made public.

The recommendations to the New Jersey Tax Study Commission were presented with three alternatives. The first preference was Improved Municipal Appraisal Districts, then County Appraisal Districts and, finally, a Statewide Appraisal Commission.

The features of each are outlined.

### IMPROVED MUNICIPAL APPRAISAL DISTRICTS

Features:

1. Municipal Tax Assessors, to be now known as "appraisers", would be appointed by the municipal chief executive or governing body, subject to the approval of the Director of the Division of Taxation. All appraisers would be required to obtain periodic recertification of the CTA designation, and eligibility to hold or remain in office would be contingent on such recertification.
2. The basic costs of tax appraisal administration would continue to be borne by the municipality. The state would prescribe standards for office space, salary, staffing, and office facilities which the municipality would be obligated to supply. If not supplied, the state would retain the right to furnish the office, and withhold state aid to the municipality, to cover the costs.
3. In addition to its current functions, the local property branch would also have the following responsibilities:
  - A. Establish standards governing the municipality's obligation to furnish the appraiser with sufficient resources for conducting the office.
  - B. Establish standards governing the conduct and performance of the appraiser, including measures of appraisal accuracy and consistency. If standards are not met by the appraiser, the Director of Taxation would be empowered to remove the appraiser from office.
  - C. Centrally appraise all property that crosses municipal boundaries.
  - D. Provide assistance for complex appraisals and defense of appeals.
  - E. Develop and provide a uniform computer assisted mass appraisal (CAMA) system for use by municipal appraisers.
  - F. Monitor tax legislation and develop proposed legislation.
  - G. Administer all exemptions authorized by state agencies, statute, and municipalities.
  - H. Equalize aggregate appraised values for all purposes, including state school aid and county tax apportionment.
  - I. Conduct research and development activities to study new appraisal technologies and methods.
4. County tax administrators would become known as "county appraisal administrators", and would become state employees reporting directly to the Director of Taxation. The administrator would serve as an agent of the Director, administering the collection of sales data, and the dissemination of local property branch reports, legislation, rules, case law, and standards. Administrators would also monitor municipal compliance with state standards for providing an appraiser's office.
5. County boards of taxation would continue to be appointed by the Governor with the advice and consent of the state. However, they would become known as appraisal appeals commissioners. Their duties would be limited to hearing appeals of appraised values. Commissioners would be required to hold a CTA certificate before appointment, and periodic recertification would be required.
6. The deadline for filing tax appeals would be moved to the late spring, to encourage appeals based on appraisals rather than tax bills, and to provide a longer period for hearing appeals. Every January, each property owner would receive an appraisal notification, indicating the property's new appraised value.
7. Responsibility for administering property tax deductions would

be removed from the appraiser, and transferred to a state agency.

8. Responsibility for administering homestead rebates would be removed from the appraiser, and transferred to a state agency.

### COUNTY APPRAISAL DISTRICTS

Features:

1. Municipal tax assessors would no longer be appointed.
2. The Governor, with the advice and consent of the Senate, would appoint a County Appraisal Administrator in each county, for a term of five years. Each County Appraisal Administrator would be directed to:
  - A. Hire a full-time appraisal staff holding valid CTA certificates, to carry out the appraisal function under the administrator's supervision. Appraisers could be assigned to specific municipalities or could specialize in certain types of properties. Periodic recertification would be required.
  - B. Review, revise, and correct appraisal values.
  - C. Defend all tax appeals.
  - D. Distribute the Table of Equalized Valuations prepared by the local property branch.
  - E. Prepare the County Abstract of Ratables.
  - F. Implement a data processing system for the county.
  - G. Conduct research and development activities to study new appraisal technologies and methods, or, with the consent of other county appraisal administrators, transfer that responsibility to the local property branch.
- A County Appraisal Administrator would be required to hold a valid CTA certificate prior to appointment, and periodic recertification would be required. There would be no residency requirement. A County Appraisal Administrator could be removed for cause by the governor.
- Current county tax administrators, at their option, would be grandfathered into the new county appraisal administrator positions, providing the administrators meet strict qualifications and experience, to be set forth in statute.
3. The basic costs of tax appraisal administration would be included in the county budget and apportioned to the municipalities through the regular tax levy. However, there would be a modest state aid program, provided appraisal performance standards were met.
4. The primary responsibilities of the local property branch would be the following:
  - A. Establish standards governing the conduct and performance of the appraiser, including measures of appraisal accuracy and consistency.
  - B. Monitor the appraisal values and methods of the county appraisal districts.
  - C. Centrally appraise all property the crosses county boundaries.
  - D. Provide assistance for complex appraisals and defense of appeals.
  - E. Equalize aggregate appraised values for all purposes, including state school aid and county tax apportionment.
  - F. Monitor tax legislation and develop proposed legislation.
  - G. Administer a state aid program for county appraisal administration, with eligibility being based on performance which meets prescribed standards.
  - H. If justified, bring recommendations to the Governor for the removal of any county appraisal administrator for refusal to comply with the constitution and the laws of New Jersey or for failure to meet tax appraisal performance standards.
  - I. Administer all exemptions authorized by state agencies, statute, and municipalities.
  - J. If requested by the county appraisal administrators, conduct research and development activities to study new appraisal technologies and methods.
5. County boards of taxation would continue to be appointed by the Governor with the advice and consent of the Senate.

(continued on next page)

## EQUITY 21 (continued)

However, they would become known as appraisal appeals commissioners. Their duties would be limited to hearing appeals of appraised values. Commissioners would be required to hold a CTA certificate before appointment, and periodic recertification would be required.

6. The deadline for filing tax appeals would be moved to the late spring, to encourage appeals based on appraisals rather than tax bills, and to provide a longer period for hearing appeals. Every January, each property owner would receive an appraisal notification, indicating the property's new appraised value.
7. Responsibility for administering property tax deductions would be removed from the appraiser, and transferred to a state agency.
8. Responsibility for administering homestead rebates would be removed from the appraiser, and transferred to a state agency.

### STATEWIDE APPRAISAL COMMISSION

#### Features:

1. Municipal tax assessors would no longer be appointed.
2. A 7-member Board of Appraisers would be appointed by the Governor, with the advice and consent of the Senate, for a term of five years. The Board of Appraisers would be responsible for all policy matters affecting the appraisal of property for tax purposes.
3. The Board of Appraisers would appoint an individual to the post of Chief Executive. The Chief Executive would have responsibility for the ongoing operations of the Appraisal Commission, including all personnel matters.
4. The central office of the Appraisal Commission would be analogous to the current local property branch, with significant additional responsibilities. The Appraisal Commission's primary responsibilities would include the following:
  - A. Divide the state into an estimated 40 to 50 regions, each large enough to justify a full-time staff, and establish regional offices.
  - B. Hire full-time appraisers holding valid CTA certificates, to carry out the appraisal function. Appraisers could be assigned to specific municipalities or could specialize in certain types of properties. Periodic recertification would be required.
  - C. Develop a uniform, comprehensive data processing system for use by all staff appraisers and implement its use to update appraisal values annually. The data processing system would also be used to automate the collection of sales, and the generation of equalized aggregate appraisal values.
  - D. Provide for the appraisal of large industrial and commercial properties, and properties that cross municipal boundaries, by central office staff.
  - E. Defend all tax appeals.
  - F. Monitor tax legislation and develop proposed legislation.
  - G. Administer all exemptions authorized by state agencies, statute, and municipalities.
  - H. Equalize aggregate appraised values for all purposes, including state school aid and county tax apportionment.
  - I. Conduct research and development activities to study new appraisal technologies and methods.
5. The basic costs of tax appraisal administration would be apportioned to each municipality, in proportion to its equalized property values.
6. County Boards of Taxation would continue to be appointed by the Governor with the advice and consent of the Senate. However, they would become known as Appraisal Appeals Commissioners. Their duties would be limited to hearing appeals of appraised values. Commissioners would be required to hold a CTA certificate before appointment, and periodic recertification would be required.
7. The deadline for filing tax appeals would be moved to the late spring, to encourage appeals based on appraisals rather than



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

109 Fairway Terrace,  
Mt. Laurel, NJ 08054  
609-866-2552

tax bills, and to provide a longer period for hearing appeals. Every January, each property owner would receive an appraisal notification, indicating the property's new appraised value.

8. Responsibility for administering property tax deductions would be removed from the appraiser, and transferred to a state agency.
9. Responsibility for administering homestead rebates would be removed from the appraiser, and transferred to a state agency.

## SENATE, NO. 2527

This bill would permit distressed municipalities to provide for temporary tax exemption for certain unused property, provided that the person claiming the exemption demonstrates a commitment to improve the property. The exemption would be granted under the authority of Article VIII, Section I, paragraph 6 of the State Constitution, for the purpose of encouraging commercial and industrial development in areas in need of rehabilitation. The exemption may be linked with certain other tax exemptions or abatements provided under the same Constitutional authority, but the resulting combination may not be granted for a total of more than five years.

"Unused property" means and includes any land, building, structure or facility, or combination thereof, that is vacant, abandoned by the owner, or unused by the owner for not less than five consecutive years prior to the date of application of the governing body to the commissioner.

## LEGISLATIVE NEWS



On Monday, June 30, 1986 the N.J. Assembly convened for what may be their last session for the summer months. Besides the budget being passed in the wee hours of the morning, another piece of legislation which affected the assessors was acted upon favorably and sent to the Governor for his signature. I must remark at this time that if the bill is signed into law, gratitude and congratulations should be extended to Senator Zane, Assemblyman Stuhltrager, the League of Municipalities, members of the Assessor's Association, Sol Wolf and Eddie Rosenbloom and many others who worked tirelessly and endlessly to get S-1858 and A-2251 (combined into one) successfully through both houses and into the Governor's office. These bills proclaim that large oil tanks are real property and should continue to be taxed by the municipality where they are situated. If, by this reading, the bill is not signed into law by the Governor, then I urge you to send your letters to:

Michael Cole, Esq.

Chief Counsel to the Governor

State House, Trenton, N.J. 08625

and request the Governor's signature.

The other problem which heavily involved the League of Municipalities and the Assessor's Association is the recovery of the money lost through the divestiture of the AT&T holdings. It was hoped that the inclusion of 30 million in the Municipal Purpose Tax Assistance Fund, along with the 9 million aid to rural and suburban municipalities, would offset the dollar loss temporarily for this year. However, as you all know, the Governor withdrew these money items from his budget along with some others and we are right back again in our efforts to get some type of money restoration.

At the present, there are proposals in both houses (S-1371-72-73 and A-1902-3) which permits the sales taxing of telecommunicating equipment which is not being taxed with the returns to be dedicated to replace the monies lost by the municipalities by the AT&T divestiture. A meeting with the representatives of the League, Assessor's Association and Assemblyman Jack Penn was held to discuss the prospect of having these proposals enacted into law. There were many comments made about possible success resulting through the enactment of any or at least one of these proposals. The Assemblyman along with the League and the Assessors will continue their efforts toward some relief from the loss of these funds.

The Legislative Committee is continuing to pursue the movement of bill A-530 and S-2217 which extends the filing date to permit the municipality 20 days in which a cross appeal can be filed. These bills will be pursued until a hearing date can be scheduled for them.

George Harraka

**LOCAL PROPERTY TAX-Freeze Act-**Any change in value does not prevent application of the Freeze Act (N.J.S.A. 54:51A-8). The change must be analyzed on a case-by-case basis. Here, a change in value exception was held inapplicable where an increase in the subject property's value was in the general range of increase in value of all real property in the taxing district as determined by the Taxation Division Director's sales study (N.J.S.A. 54:1-35 et seq.).

**LOCAL PROPERTY TAX-Burden of Proof-Presumption of Correctness-**Taxing district adduced sufficient competent evidence to overcome presumption of correctness of Monmouth County Board of Taxation's judgment. But taxpayer successfully refuted taxing district's evidence of value, although affirmative evidence did not establish true value. Tax Court entered a judgment affirming the decision of the county board of taxation since the taxing district failed to sustain the ultimate burden of proof by a preponderance of credible evidence.

Borough of Rumson V. Christine L. Peckham - N.J. Tax (Tax Court of New Jersey, August 15, 1985)

### TRANSMITTAL LETTERS TO BE SENT WITH FARMLAND ASSESSMENT APPLICATIONS

On May 1, 1986, the Superintendent of the Local Property Branch sent a memorandum to assessors and county board of taxation administrators and commissioners with regard to applications for farmland assessment. The memorandum advised all assessors to distribute letters of transmittal with the applications (Form FA-1) to all claimants for preferential tax treatment under the Farmland Assessment Act of 1964.

The memorandum states: "We believe it is necessary to emphasize to taxpayers the importance of fully and accurately completing the form in the prescribed manner." In short, providing accuracy and completeness on the forms is a responsibility in which the taxpayer must share.

The Local Property Branch strongly urges that municipal tax assessors distribute the transmittal letters when the FA-1's are placed in the mail. Lastly, once the applications are submitted to the assessor, they shall require "close scrutiny" so as to effect a proper administration of the law.



# Association of Municipal Assessors of New Jersey

## NEW JERSEY ASSESSORS BULLETIN

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

Quarterly Publication

### OFFICERS

President ..... William Birchall, Jr.  
 Vice Presidents ..... James Andrea, Joyce Jones  
                                  Victor Hartsfield, Robert Pastor  
                                  Thomas Lawrence, Charles Shutt  
                                  Horace Spoto  
 Secretary ..... Vicky Mickiewicz  
 Treasurer ..... Ralph Todd  
 Sergeant-at-Arms ..... Walter Kosul

### EDITORIAL BOARD

Editor ..... Louis Schick  
                                  Randy Brokaw, Anthony Leone  
                                  Alicia Melson, Grace Wolf  
                                  Vicki Mickiewicz

## AWARDS

The Awards Committee of the Association of Municipal Assessors of New Jersey is soliciting nominations for the various awards which will be presented in November at the Assessors Conference in Atlantic City.

All nominations must be received by Joyce Jones, Awards Chairman, no later than October 15, 1986.

### A.E. WEILER AWARD (Education)

Established in 1964 in memory of the late A.E. Weiler, a pioneer in developing educational programs for Assessors at Stevens Institute of Technology, Rutgers and Drew Universities; this award is presented to the person who has contributed the most in the field of education.

### NORMAN HARVEY AWARD (Literary)

Established in 1975 in memory of Norman Harvey, the first editor of the New Jersey Assessors Bulletin; this award is presented to the author of articles adjudged to contributed the most toward the improvement of assessment administration.

### RUSSELL T. WILSON AWARD (Miscellaneous)

This award was established in 1976 in memory of one of the Association's Presidents. It is presented to the member who has made the greatest effort in reaching and affecting areas of general government, as well as the public, to the benefit of the assessing profession.

### THOMAS C. MC CANDLESS, JR. HUMANITARIAN AWARD (Heroics)

Established in 1975, this award is given to the Assessor who has excelled in the betterment of mankind throughout heroic deeds.

### NEW JERSEY ASSESSOR'S ASSOCIATE AWARD

This award was established in 1980 and is given to a person or organization who is *NOT* a regular member of the Association of Municipal Assessors of New Jersey, but who should be recognized because of their outstanding contributions to the advancement of the Associations objectives.

### ACHIEVEMENT AWARD (Rookie)

Established in 1985, this award is given to one of the newer members, (Regular or Associate) who has demonstrated outstanding enthusiasm and contribution to the Advancement of the Association.

This award will be given only to Assessors of less than five years' membership in the organization.

ENTRY BLANK Deadline for nominations: October 15, 1986. I have studied the entry requirements for each award and wish to submit the following nomination. I have attached the specified written statements in support of the nomination.

Return entry blank to: Joyce A. Jones, 1 Colonial Drive, Lakehurst, NJ 08733

AWARD \_\_\_\_\_ NAME OF NOMINEE \_\_\_\_\_

NOMINEE'S TITLE, ADDRESS, & PHONE NO.: \_\_\_\_\_

ENTRY SUBMITTED BY: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

### CANDIDATE REQUIREMENTS

1. All nominations must be in the hands of the Awards Committee Chairman on or before October 15th.
2. The Awards Committee will meet, review the nominations, and make a decision on or before November 1st.
3. To qualify for any award, except the Associate's Award, the candidate must be a member of the Association of Municipal Assessors of New Jersey.
4. To qualify for the New Jersey Assessors Associate's Award, the candidate must *NOT* be a regular member of the Association of Municipal Assessors of New Jersey.
5. Nominations should contain at least a brief description as to the reason you feel your candidate should receive said award. Candidates may then be requested to submit to the Awards Committee a more complete description describing his/her qualifications. (resume)
6. Nominations can be submitted by anyone—a fellow member of the Association, the County Association, the Tri-County Associations, the Mayor or governing bodies, or by the Awards Committee itself.
7. The same award cannot be given to any individual more than once.
8. The Awards Committee does not have to present an award, if in their opinion, there is not a deserving or qualified person.
9. Nominations must be submitted each year as they will not be retained from year to year.

## ASSEMBLY, NO. 1904

An act providing for State aid for certain property tax losses, supplementing Title 54 of the Revised Statutes and making an appropriation therefor.

## NOMINATING COMMITTEE

Please be advised that the following people are on the Nominating Committee:

### Appointed by the President

Stephen J. Kessler, Chairman—Assessor,  
Winslow Twp., Camden County  
Samuel A. Befarah, Assessor, Asbury Park,  
Monmouth County  
John J. Murray, Assessor, Millburn,  
Essex County

### Elected by the Executive Committee

James L. Anderson, Assessor, Pt. Pleasant,  
Ocean County  
John A. Dyksen, Assessor, Denville,  
Morris County  
Margaret Jeffers, Assessor, Jersey City,  
Hudson County  
Joyce A. Jones, Assessor, Manchester Twp.,  
Ocean County  
Walter A. Kosul, Assessor, Pemberton Twp.,  
Burlington County  
Dorothy L. Montag, Assessor, Galloway Twp.,  
Atlantic County

There are the President-Elect, and four (4) Vice Presidents positions up for nomination. The President-Elect must be a regular member in good standing in the County and State Associations. The Vice Presidents must be regular members in good standing from one of the Tri-Counties that he or she will represent as well as the State Association.

The President-Elect position is presently vacant.

The Tri-County Districts to be filled and the person presently holding these offices are:

Atlantic, Cape May, & Cumberland—James Andrea—Assessor, Ocean City, Cape May County

Hunterdon, Sussex, & Warren—Robert W. Pastor—Assessor, Washington Twp., Morris County, Sandyston Twp., & Stillwater Twp., Sussex County

Bergen, Hudson, & Passaic—Charles Shutt—Assessor, Ridgewood, & Midland Park, Bergen County

Camden, Gloucester, & Salem—Horace Spoto—Assessor, Woodbury, Harrison Twp., & Logan Twp., Gloucester County

Charles Shutt and Horace Spoto are both eligible to run for another term.

### ARTICLE III, Section 4 & 5, paragraph 4

"Any prospective candidate desiring to be considered by the Nominating Committee must file a resume of his background, affiliations and experience in related and not related to assessing field to the Chairman of the Nominating Committee on or

before August 1. On or before August 25 of each year and following consideration of all prospective candidates, the Nominating Committee in writing, shall inform the State Association Officers, the County Association Presidents, and the candidates of the committee's recommendations. The information shall include the office for which the nominee is nominated, the taxing district(s) represented, the county represented and the position held. Amended 11/17/82"

### ARTICLE III, Section 4 & 5, paragraph 5

"Any prospective candidate, other than the Nominating Committees nominees, seeking an elected office must do so by petition. The petition must be signed by at least twenty (2) regular members in good standing, include the personal data specified in the above paragraph, and be submitted to the Secretary by September 5. A candidate may be nominated for only one office or petition for only one office. Amended 11/27/82"

### ARTICLE III, Section 4 & 5, paragraph 10

"State Association dues must be paid by September 1 for members to be eligible to vote. Amended 11/17/82"

Vicky Mickiewicz, Secretary

**LOCAL PROPERTY TAX-Interest To Be Charged on Voluntary Installment Payments under a Special Assessment**—The Appellate Division affirmed the judgment of the Law Division, which held that the municipality under N.J.S.A. 40:56-35 could charge only the legal rate of interest, which is 9% here, on installment payments made by property owners as a result of special assessment. By resolution, the municipality provided that the property owners would have two months from the date of the confirmation of the assessments to pay the whole assessment without interest or to pay in 10 equal yearly installments with legal interest. The municipality charged interest of 8% a year on assessments under \$1,500 and 18% a year on assessments over \$1,500, relying on N.J.S.A. 40:56-32 and 54:4-67.

The court held that the issue of the rate of interest be charged when assessments are paid in installments was not before the Appellate Division in *Mira Land Development Corp. v. Matawan Borough*, 133 N.J. Super. 440, 443 (App. Div. 1975), certif. denied 68 N.J. 278 (1975). The court's pronouncement on that point was dictum and is not binding here.

## Become An S.M.A.



## RECENT JUDICIAL DECISIONS

**Monsanto Company, Plaintiff, vs. Town of Kearny, Defendant.** Tax Court of New Jersey, January 13, 1986.

This decision is predicated on the interpretation of N.J.S.A. 54:4-34, which provides that an assessor may seek income and expense information from an owner of income-producing property. The statute also provides that a taxpayer may be precluded from filing a tax appeal if the taxpayer fails to comply with an assessor's request within a 45 day period.

In this instance, the assessor submitted to the taxpayer an income and expense request form on September 10, 1984 seeking information for purposes of formulating the assessment for the 1985 tax year. On September 18, 1984, the taxpayer advised the assessor that the property was a manufacturing plant directly owned by the taxpayer. On August 15, 1985, the taxpayer filed a complaint with the Tax Court seeking a reduction in the assessed valuation of the subject property. The municipality at that point moved to dismiss the appeal on the grounds that the taxpayer failed to comply with the request for income and expense data as required by N.J.S.A. 54:4-34. The Court found that, since the property in question was owner-occupied and not leased, it did not constitute an income-producing property and was not subject to the statutory penalties. The municipality's motion for dismissal of the complaint under N.J.S.A. 54:4-34 was denied.

**LOCAL PROPERTY TAX-Exemption for Hospital Purposes-Health Maintenance Organization** that does not provide continuous 24-hour medical care is not a hospital and is not entitled to exemption from property tax under N.J.S.A. 54:4-3.6 unless it functions as an integral part of a hospital facility.

**City of New Brunswick v. Rutgers Community Health Plan, Inc.-N.J. Tax-(Tax Court of New Jersey, July 23, 1985).**

**LOCAL PROPERTY TAX-Changes Date for filing of Senior Citizen, Disabled Post-Year Statements for Tax Deduction-P.L. 1985, c. 505** (approved January 21, 1986) changes the deadline date from February 1 to March 1 for senior citizens and totally disabled persons to file with the collector of the taxing district post-year statements to qualify for a property tax deduction.

The collector may grant a reasonable extension of time, up to May 1, for filing the statement if he is satisfied that the failure to file by March 1 was because of illness or a medical problem.

The Act takes effect January 1, 1987, and shall apply to post-tax year statements filed after that date.

**LOCAL PROPERTY TAX-Permits Certain Nonprofit Corporations to Lease Portion of Building to Profit-Making Organizations-P.L. 1985, c. 393** (approved December 20, 1985) amends R.S. 54:4-3.6. The amendment permits certain nonprofit corporations organized for the moral and mental improvement of men, women and children to lease a portion of a building to a profit-making organization and retain its exemption for the remaining portion of the building occupied by the nonprofit corporation.

The portion that is leased to the profit-making corporation shall be subject to local property taxation. The remaining portion retained by the nonprofit organization shall be exempt from local taxation if used exclusively for the exempt nonprofit purpose.

The Act, which is effective immediately, applies to real property taxes levied or payable for the calendar year 1984 and thereafter.

**LOCAL PROPERTY TAX-Two-Year Moratorium on Newark Property Revaluation-P.L. 1985, c. 511** (approved January 21, 1986) makes permissive the implementation of a revaluation of real property in cities of the first class with a population of more than 300,000 for any tax year beginning or ending within nine months of the completion of the final report of the Property Tax Assessment Study Commission.

The reporting date of the Commission was extended to October 1, 1986, by SJR-76 (approved January 14, 1986) (see previous item). This Act thus imposes a two-year moratorium on implementing property revaluation in Newark.

The Act is effective immediately.

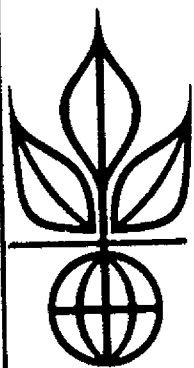
**LOCAL PROPERTY TAX-Veteran's Tax Deduction Available to Either Surviving Spouse-P.L. 1985, c. 515** (approved January 21, 1986) provides that the veteran's deduction be available to either surviving spouse. Prior law provided the deduction only to the surviving widow.

This Act is effective immediately and applies retroactively to January 1, 1976.

**LOCAL PROPERTY TAX-Valuation Burden of Proof-Valuation date presented both by taxpayer and township failed to sustain the requisite burden of proof by a preponderance of the evidence necessary to overcome the presumptive correctness of the original property assessment. In the absence of substantial and competent proof, the court could not apply its expertise to determine the true value of the property.**

**WCI-Westinghouse, Inc. v. Edison Twp.-N.J. Tax-(Tax Court of New Jersey, August 1, 1985).**

January is when the entire country turns white—the land from snow falling down, and husbands from bills falling due!



# **REVALUATION AND APPRAISAL SERVICE INC.** **388 Pompton Avenue, Suite 3, Cedar Grove, N. J.**

(201) 239-3110

**TOM SIMMONS**

**PAUL EBERT**

APPRAISALS • MUNICIPAL REVALUATIONS • ASSESSORS ASSISTANCE • URBAN RENEWAL

**LOCAL PROPERTY TAX-Revaluation/Reassessment-Taxpayer's action** was to direct County tax board and taxing district to revise tax roll, to send out corrected tax bills, to prosecute tax appeals against certain property owners, to maintain all future assessments at 100% of true value, and to restrain the board from promulgating the Table of Aggregates until the tax roll is corrected. The court dismissed for the following reasons:

1) N.J.S.A. 54:4B-1, which provides that the apportionment, collection or payment of county taxes shall not be suspended because of any court proceeding and which contemplates that inequities in the tax apportionment be correct in the following year's Table of Aggregates, bars the relief sought here.

2) Plaintiff's reliance on **Baldwin Construction Co. v. Essex County Board of Taxation**, 16 N.J. 329 (1954), in support of the remedy sought is misplaced because Baldwin has been severely undercut by *In re Kents*, 34 N.J. 21 (1961), and P.L. 1983, c. 123 (N.J.S.A. 54:51A-6), which have established the "common level" of assessments as the proper tool for discrimination relief in property taxation.

**Berkeley Arms Apartment Corp. and Atrium Development Corp. v. City of Hackensack et al.**-N.J. Tax-(Tax Court of N.J., July 5, 1985).

**LOCAL PROPERTY TAX-Economic Rent for Apartment Building**-In a non-rent control community, the economic rent for 3½-room apartments was held to be \$450, the highest rent for units of that size in the building. No significant differences between apartments exist. Current rent rolls are not market rents where the landlord has voluntarily favored longtime tenants with below-market rents.

## **BERGEN COUNTY BOARD SUES**

Four municipalities in Bergen County are being sued by the Bergen County Board of Taxation for not revaluating their properties as ordered in 1984.

The four towns are Bergenfield, South Hackensack, Palisades Park and Carlstadt.

**LOCAL PROPERTY TAX-Assessor's Demand for Income Statement-Dismissal-Purpose of N.J.S.A. 54:4-34** is to enable assessor to make knowledgeable assessment of income-producing property. The focus of the statute is pre-assessment of income-producing property. The focus of the statute is pre-assessment, and is not to be used as a form of discovery. Thus, property owner's failure to provide income information to assessor during pendency of appeal will not result in automatic dismissal.

**Delran Holding Corp. V. Delran Township-N.J. Tax**-(Tax Court of New Jersey, December 18, 1985).

**LOCAL PROPERTY TAX-Affirm Tax Court's Dismissal of Complaint for Failure to Exhaust Administrative Remedies**-The Appellate Division affirmed the Tax Court in its dismissal of plaintiff's complaint substantially for the same reasons expressed in the latter court's opinion reported at 6 N.J. Tax 575 (Tax Court, September 21, 1984).

Taxpayer filed a complaint contesting determination by Taxation Director that taxpayer's property was not used for railroad purposes within meaning of Railroad Property Tax Act and therefore was not assessable by the State.

The Director moved to dismiss the plaintiff's complaint for lack of jurisdiction and for taxpayer's failure to exhaust administrative remedies.

The Tax Court held that the taxpayer had failed to contest the local property tax assessment on property that the Director had determined was not used for railroad purposes within the meaning of the Railroad Property Tax Act, and therefore was not assessable by the State under the Act, by timely filing a petition of appeal with the County Tax Board in accordance with the statutory mandate.

This failure precluded the exercise of jurisdiction by the Tax Court over the taxpayer's complaint contesting the Director's determination that the taxpayer's property was not used for railroad purposes.

The Appellate Division entered judgment affirming the Tax Court's dismissal of the plaintiff's complaint.

**IN MEMORIAM****SAMUEL TEMKIN**ASSISTANT DIRECTOR  
DIVISION OF TAXATION

**LOCAL PROPERTY TAX—Farmland Rollback Tax Assessment-Procedural-Estoppel-Appeal** from judgment of county tax board must be filed with Tax Court within 45 days of service of judgment, not receipt of tax bill. Original method of assessing omitted property under N.J.S.A. 54:4-63.12 *et seq.* to be used to impose farmland rollback tax assessment. Estoppel not granted against State to same extent as against private persons.

*Gale Builders, Inc., et al. v. Hunterdon County Board of Taxation and Tewksbury Township*-N.J. Tax-(Tax Court of N.J., November 13, 1985).

**LOCAL PROPERTY TAX—Exemption of Certain Newly Constructed Residential Structures from Property Taxation until Certificate of Occupancy Is Issued Held Constitutional**-Superior Court's Appellate Division reversed the Superior Court's Law Division, Bergen County, whose opinion is reported at 197 N.J. Super. 89 (Superior Court, Law Division, 1984). The Appellate Division held that P.L. 1982, c. 220 (approved December 29, 1982), as amended by P.L. 1983, c. 155 (approved April 22, 1983) (N.J.S.A. 54:4-23a), which exempts certain forms of unoccupied, newly constructed residential structures from local property taxation for a specified time or until a certificate of occupancy had been issued, was constitutional. The court also held that this was not special legislation in violation of Article IV, Sec. VII, par. 9 and Article VIII, Sec. 1, par. 2 of the New Jersey Constitution.

The Appellate Division found that the statute may stand as general legislation and that it met the three-prong test that was developed in *Vreeland v. Byrne*, 72 N.J. 292(1977).

**ASSEMBLY, NO. 2781****STATEMENT**

This bill authorizes municipalities to enact ordinances providing that applicants for construction permits and certificates of occupancy, submit a certification from the municipal tax collector that there are not taxes or assessments for local improvements due or delinquent on the property which is the subject of the application. The requirement for the certification may be waived, in emergency circumstances, when a delay in issuing the permit or issuing a certificate of occupancy would bring about a danger to the public health or safety.

**IN MEMORIAM**

Charles Hand, 67, tax assessor for Kearny for 35 years before retiring three months ago, passed away July 14 at Mountainside Hospital, Glen Ridge.

Mr. Hand was the Commander of the AMVETS, Memorial Post 43 Kearny and had received the Purple Heart for Service in World War II.

**SENATE, NO. 2217**

An act concerning certain appeals of property tax assessments and amending R.S. 54:3-21.

**STATEMENT**

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 counterappeals in property tax assessment appeals that are filed close to the initial appeal deadline.

**LOCAL PROPERTY TAX-Valuation-Taxpayer** appealed from a judgment of the Tax Court in an unreported opinion that fixed the initial assessment of its three-story office building. The Superior Court, Appellate Division, held that: (1) Tax Court properly adjusted value produced by income capitalization method upwards based on comparable sales and cost approaches; (2) Tax Court properly took judicial notice of effective tax rates of two other municipalities; and (3) permitting taxpayer's expert to testify on cross-examination about his recollection of construction costs on property record card was not reversible error.

Judgment was entered affirming the Tax Court.

*West Orange Township v. First Mountain Assoc.*-7 N.J. Tax 431-(App. Div. 1984).

MUNICIPAL REVALUATION / ASSESSMENT EQUALIZATION

## REALTY APPRAISAL COMPANY

SPECIALIZING IN NEW JERSEY PROPERTY VALUATION SINCE 1934

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

4912 Bergenline Avenue, West New York, New Jersey

UNION 7-3870

UNION 7-0015

### SENATE CONCURRENT RESOLUTION NO.68

A concurrent resolution proposing to amend Article VIII, Section I, paragraph 3, of the Constitution of the State of New Jersey.

1. The following proposed amendment to the Constitution of the State of New Jersey is hereby agreed to:

#### PROPOSED AMENDMENT

Amend Article VIII, Section I, paragraph 3, to read as follows: 3. Any citizen and a resident of this State now or hereafter honorably discharged or released under honorable circumstances from active service, in time of war or other emergency as, from time to time, defined by the Legislature, in any branch of the Armed Forces of the United States shall be entitled, annually to a deduction from the amount of any tax bill for taxes on real and personal property, or both, in the sum of \$125.00 or if the amount of any such tax bill shall be less than \$125.00, to a cancellation thereof, which deduction or cancellation shall not be altered or repealed. Any person hereinabove described who has been or shall be declared by the United States Veterans Administration, or its successor, to have a service-connected disability, shall be entitled to such further deduction from taxation as from time to time may

be provided by law. The surviving spouse of any citizen and resident of this State who has met or shall meet his or her death on active duty in time of war or of other emergency as so defined in any such service shall be entitled, during her widowhood or his widowerhood, as the case may be, and while a resident of this State, to the deduction or cancellation in this paragraph provided for honorably discharged veterans and to such further deduction as from time to time may be provided by law. The surviving spouse of any citizen and resident of this State who has had or shall hereafter have active service in time of war or of other emergency as so defined in any branch of the Armed Forces of the United States and who died or shall die while on active duty in any branch of the Armed Forces of the United States, or who has been or may hereafter be honorably discharged or released under honorable circumstances from active service in time of war or of other emergency as so defined in any branch of the Armed Forces of the United States shall be entitled, during her widowhood or his widowerhood, as the case may be, and while a resident of this State, to the deduction or cancellation in this paragraph provided for honorably discharged veterans and to such further deductions as from time to time may be provided by law.

Association of Municipal Assessors of New Jersey

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

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

15

8-8

F01

MICKIEWICZ VICTORIA DEPUTY ASSESSOR  
33 WASHINGTON ST  
TOMS RIVER N J 08753