

New Jersey



Assessors



MEMBER
International Association
of Assessing Officers

Bulletin

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MAY 1988

PRESIDENT'S MESSAGE

Our Association has lost a member who's efforts established a liaison between the New Jersey Legislators and our Association. This liaison must continue. George Harraka passed away suddenly, on February 29, 1988. He will be greatly missed by his family and friends. Colleagues who worked with George toward our common goals will sorely miss his knowledge of the Trenton



mystique. As a friend, I will miss his warm smile, and a new joke or story, which was always accompanied by a moral. Most of all, I will miss our working together toward an improved assessment posture. Each of us must pick up the slack. George will always be with us in memory; his goals were our goals, and we must continue to endeavor.

Bill Birchall and Walt Kosul, will share the responsibility as Co-Chairman of the Legislative Committee. I have full confidence in them and know that they will advance our thoughts and goals. But they will need the full cooperation of our membership. Do not wait to be asked your opinion on legislation; volunteer any information you have to Bill or Walt.

At this point, I would like to thank the entire Executive Board of our Association for electing to join forces with the Association of County Tax Board Commissioners and Administrators in the preparation of a position report which will be based on the conclusions and recommendations our associations will address in the near future. This report will be

professionally written and sent to our N.J. Legislators, and hopefully, our municipalities. I congratulate our associations for the progressive first step in attempting to control our destiny. The cost of this undertaking will be discussed at the June Conference, at which time you will hear our first progress report.

I deeply appreciate the help so many of you have offered. We are progressing, thanks to you. Many thanks to the County Tax Boards and Local Property Bureau for their sincere cooperation these past few months.

Bob Pastor, President, AMANJ

LOCAL PROPERTY TAX—Erroneous Acreage Information Supplied by Taxpayer Not Correctable under Statute—Property in issue was owned by Neptune Corporation until July 1984 and thereafter by Fred McDowell.

Both parties sought determination that the area was assessed on a total area of 421.85 acres for the years 1983-1985 when in fact the total area was 293.15 acres.

Both parties alleged that the erroneous assessment was due to a typographical, transpositional or other mistake and thus correctable under the Correction of Errors Statute (N.J.S.A. 54:51A-7).

The court found that all the information upon which the assessment was based had been supplied by the taxpayer and did not involve a mistake that was a correctable error under that statute.

The court held that reliance by the tax assessor on such information was not correctable for those years because property owners may reasonably be expected to supply correct information about their own properties.

ASSEMBLY NO. 2559

An Act concerning an increase in the veteran's property tax deduction and amending P.L. 1963, c. 171.

1. Section 2 of P.L. 1963, c. 171 (C. 54:4-8.11) is amended to read as follows:

2. Every person a citizen and resident 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 a surviving spouse as defined herein, during her widowhood or his widowhood, and while a resident of this State, shall be entitled, annually, on proper claim being made therefor, to a deduction from the amount of any tax bill for taxes on real or personal property or both in the sum of \$100.00 or if the amount of any such tax shall be less than \$100.00, to a cancellation thereof. (cf: P.L. 1985, c.515, s.7)

3. This act shall take effect immediately, but shall remain inoperative until the tax year following the passage and ratification of an authorizing amendment to Article VIII, Section I, paragraph 3 of the Constitution of the State of New Jersey.

KENNETH H. BECK SCHOLARSHIP FOUNDATION

As of this writing the Scholarship Foundation is in the process of reviewing applications for scholarships that will be awarded at our Rutgers Conference this June. To bring you up to date on the present status of the Foundation, I am pleased to announce that we have over seven thousand dollars in our Scholarship Fund. This has been accomplished by the Foundation's fund raising efforts and your most generous contributions.

In 1986 we gave out our first scholarship and last year we were able to give scholarships to three more deserving youths. The Foundation would like to continue awarding grants to all our past recipients for their four-year college commitment along with granting new scholarships each year.

This goal can be accomplished with your continued support of our fund raising activities and donations.

We ask that all County Associations make a donation each year. This would greatly ease the work of the few Foundation Committee members who are presently soliciting all the contributions.

This year's fund raising events will be two golf outings; one on May 17th at Princeton Country Club and the other being August 8, 1988 at Forsgate Country Club in connection with our annual outing. More

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information will be sent to County Presidents in the near future.

Remember, this Foundation was established to help our own Association Membership and our children. If you need an application, please call Vicki Mickiewicz, Secretary, at 201-341-1000, Ext. 303 and forward all donations to:

Kenneth F. Beck Scholarship Foundation
Vicki Mickiewicz, Secretary
P.O. Box 123
Toms River, N.J. 08754

SENATE, NO. 1978

An Act authorizing delinquent taxes to constitute a personal debt and to be collected through a civil action and supplementing Title 54 of the Revised Statutes.

1. Any default in the payment of local property taxes by an owner who does not reside on the property, shall cause the amount of delinquent taxes to constitute a personal debt of the owner and execution may be levied and such other measures may be taken for collection of it, or the unpaid balance, as are authorized for the collection of an unpaid civil judgment entered against the defendant in an action on a debt.

2. This act shall take effect immediately.

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LEGISLATIVE REPORT

As most of you are aware by now, George Harraka passed away, suddenly, on Monday, February 29, 1988. Due to this untimely loss to his family, the city of Summit and our Association, I begin this month's Legislative report with mixed emotions. While I share with you all the sadness of George's passing, I also feel the great sense of responsibility that has been delegated to Walt Kosul and me as co-chairmen, to pick up where George left off and keep our legislative program moving forward.



So, while we assume this task with heavy hearts, we commit ourselves and the committee to the goals that George invested so much of himself in...the advancement and preservation of professional Assessors in New Jersey.

Last month, George briefly referred to the recommendations of the Property Tax Assessment Study Commission (PTASC) and their potential impact on the State & Local Expenditure & Revenue Policy Commission (SLERP). As we look at the situation now, the PTASC report and the Director's "Equity 21" report have been discussed at the SLERP Commission and it appears that we, as an organization, are going to have to prepare to address the issue in the Legislature.

As of March 28, there were almost 4800 bills listed in the Legislative Index as having been filed in both houses of the Legislature. Of this number, approximately 60 related to property tax questions from assessment administration to veterans deductions. The committee is currently reviewing these bills to determine the proper course of action.

The lines of communication with the Legislature must and will be maintained. Our position on issues before the Legislature will be presented clearly and in a timely manner so that the decision will be based on the best available information.

As we strive to be responsive to the needs of the

Association, it is important that you, the members, be a part of the process by providing input to the Executive Board or the committee relating to your concerns about pending legislation. As we all work together, so will we all enjoy the long-term benefits of our efforts.

Bill Birchall, Jr., Co-Chairman

LOCAL PROPERTY TAX—Property Owner Cannot Appeal from Assessment when Appeal Was Filed Out of Time—Taxpayer bought realty from tax-exempt seller in June. City assessed for July through December by bill sent by certified mail. The bill was returned to city without delivery.

Taxpayer challenged the assessment by appeal to the County Board of Taxation a year later, and the Board dismissed the appeal as being out of time. Taxpayer appealed to the Tax Court, claiming that the statute required notice of the assessment by certified mail.

The court interpreted the statute, N.J.S.A. 54:4-63.26 through 30, which covers change of property from exempt to taxable status. It requires that such property be assessed in accordance with 54:4-63.7, which provides that the validity of assessment is not affected by non-receipt of a bill by a taxpayer, and 54:4-63.11, which requires that an appeal of an assessment be made by December 1 of the year of levy. The court held that based on the clear wording of the last statute, it had no jurisdiction to hear an appeal.

The taxpayer relied on two Appellate Division cases that appeared to sustain its position that he was entitled to notice by certified mail. The Tax Court declined to follow those cases since the legal point at issue here—i.e., the procedure for assessing real property after the right to exemption cases—was not at issue in those cases.

The court granted the city's motion to dismiss the appeal.

18 Washington Place Assoc. v. Newark—8 N.J. Tax 608 (Tax Court, 1986).

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IN MEMORIAM



George Harraka, Assessor for Summit for 15 years, passed away on February 29.

Chairman of the State Legislative Committee, he was also a member of the Union County Assessors Association, the Society of Professional Assessors, the Independent Fee Appraisers and the IAAO.

He was also on Governor Kean's Tax Policy Commission and the League of Municipalities Legislative Committee.

He is survived by his wife, Kathleen, two sons, a daughter, five brothers, four sisters and four grandchildren.

As Editor of the Bulletin I will miss him. Before going to press I would call him to remind him to send me his article. He would pick up the phone and I'd say, "Georgie." He'd answer, "How much time do I have?" In a few days I'd have my article. I'll miss him.

LOCAL PROPERTY TAX—Taxing District May Not Raise Assessment of Apartment Complex by Omitted Assessment Based Solely on Conversion to Cooperative Status—Taxpayer holds title to an apartment complex originally owned by a partnership and transferred when the complex converted to cooperative status.

Apparently because the deed showed a substantial increase in value, the assessor imposed assessment increases over \$270,000 for 1984 and 1985.

Taxpayer appealed to the County Tax Board and the Tax Court. The Tax Court held the omitted assessment invalid. Little Falls appealed.

The Appellate Division held that the conversion of the property did not justify an increased assessment under the added assessment procedure.

That procedure is intended to cover increases in value of property resulting from new construction.

The court also held that an appeal from an added assessment did not require prior payment of all current taxes.

Appeal to the Tax Court was proper before the decision of the County Board appeal because of the tight time procedure for added assessment appeals.

The Tax Court decision holding the added assessment invalid was affirmed.

Inwood Owners v. Little Falls Twp.—216 N.J. Super. 435 (App. Div. 1987).

LOCAL PROPERTY TAX—Exempt Status Contingent on Both Use and Ownership on Assessment Date—Plaintiff, Catholic Relief Services, took title to property in dispute on December 28, 1984. Construction on the property was completed in November 1984.

The taxable value of the property was assessed on December 1, 1984. The tax collector sent plaintiff tax bills for two added assessments on the new construction for December 1984 and the year 1985.

Plaintiff contends that the property still qualifies for an exemption even though the plaintiff did not own the property on the date of assessment. The court held that since the plaintiff did not own the property when its value was assessed, no exemption can be granted because taxable status is determined at the time value is assessed.

If the plaintiff had owned the land at the time the improvement was assessed, the improvement would have been exempt. But in this case, the land and improvement were assessed and recorded, and the revenue was included in the municipal budget before the plaintiff became the owner. Therefore, the owner must pay.

Catholic Relief Services, U.S.C.C. v. South Brunswick Township—9 N.J. Tax 25 (1987).

People are very open minded about new things, as long as they're exactly like the old ones.

LOCAL PROPERTY TAX—Change from Agricultural Use of Land Subject to the Farmland Assessment Act to Non-Use of Land Triggers Rollback Taxes—Taxpayer was assessed realty taxes at the preferential Farmland Assessment Act rate for 1983-1985. In 1985, the farming activity ended. Township's assessor then assessed rollback taxes for the years at issue. The Middlesex County Board of Taxation denied the rollback tax assessment, and the Township appealed.

The Tax Court said that N.J.S.A. 54:4-23.8 provides that when land assessed under the Farmland Assessment Act is applied to a use other than agricultural, it becomes subject to additional taxes. The additional taxes are equal to the difference between the taxes at the agricultural rate and taxes payable at the regular rates on the land for the year of change and two preceding years.

Taxpayer argued that it did not change the use, but rather did not use the land at all after ending its farming use.

The court distinguished cases in which the agricultural use continued, but agricultural income tests were not met, and cases in which the agricultural use ended. In the former example, no rollback taxes were payable. In the latter case, the courts have held that non-use is a change in use. As one court held, ".....not farming is different from farming, and constitutes a change."

The court pointed out that if non-use did not trigger rollback taxes, speculators could keep former farmland-assessment land unused for three years and never pay rollback taxes.

The denial of rollback taxes for 1983-85 was reversed and judgment for rollback taxes in the stipulated amount was granted.

South Brunswick Twp. v. Bellemead Dev. Corp—8 N.J. Tax 616 (Tax Court, 1987). (*Editor's note:* See also **Angelini v. Freehold Twp**—8 N.J. Tax 644 (Tax Court, 1987), same result on similar facts.)

ASSESSORS INPUT REQUESTED

Local Property Branch is presently preparing an Assessors Handbook on Farmland Assessment that is scheduled to be completed by the end of this year. One chapter of the Handbook will be a question and answer format.

Assessors have been asked to prepare questions for this chapter. Please prepare any questions you would like answered in this Handbook and forward them to:

JOHN A. DYKSEN, C.T.A.
Farmland Committee
P.O. Box 568
Branchville, N.J. 07826



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LOCAL PROPERTY TAX—Tenant in Shopping Center Can Have Standing to Appeal Property Tax Assessment—Shopping center tenant sought to appeal property tax assessment on its portion of leased premises. Landlord intervened and appeal was dismissed by the Tax Court. The Appellate Division in 206 N.J. Super. 591 (App. Div. 1986) reversed, allowing the action by plaintiff. (Note: See abstract of Appellate Division opinion in *New Jersey State Tax News*, July/August 1986, Vol. 14, No. 4, p. 87).

Township appealed to the Supreme Court, which held that a tenant may have a limited right of appeal of an assessment.

The Supreme Court held that a tenant may appeal by N.J.S.A. 54:3-21, even though it pays no direct taxes. Under a net lease, a tenant has an interest in the property since it pays the taxes. However, the appeal may affect the landlord, including a possible increase of the landlord's assessment. Therefore, the tenant's appeal should only be allowed with notice to the landlord.

The Tax Court, or other tribunal, may then decide from all the facts shown whether the tenant's appeal may proceed. In most cases, the tenants and the landlord will be able to work out a joint agreement for the appeal.

The matter was remanded to the Tax Court to determine whether the tenant can represent the interests of the landlord on the appeal.

EXECUTIVE BOARD MEETING

President Pastor introduced our special invited guests: Jack Raney & Alvin Bills from the Division of Taxation; Burnham Hobbs, Chairperson, Education Committee; George Harraka, Chairperson, Legislation Committee; and J. Henry Ditmars, Retired, LPB. Bob then asked all of the new officers to stand: Bernie Marx, V.P.; Brian Vigue, Sgt. at Arms; Alba Dello, President, Monmouth County; Joe Ravitz, President, Cape May County; and Hugh McGuire, President, Hudson.

The Roll Call was taken by the Secretary with 26 members and 10 guests present.

Kendra Golden, an associate of Ed Rosenblum, was introduced. Kendra reported that the William Reeser Case, Mullica Twp., Atlantic County, has been heard and we are awaiting a decision from Judge Rimm. John Johnson, Hackensack, Bergen County, case is pending in Superior Court, Bergen County.

S-1952—sponsored by Stockman, has been distributed. All County Presidents should make copies for their membership. Each Municipality should make a copy for their governing bodies.

IAAO Education—Charles Shutt reported that the IAAO is interested in offering their educational courses in New Jersey.

Rutgers Instructors—There are no guide lines for hiring instructors at the present time. The Education Committee should set down the minimum rules & regulations and submit them to the Executive Board for approval.

Exempt Status—Bill Birchall reported that we should be eligible to qualify under the same category as the NRAAO and the IAAO. There will be extensive records required from the last four years in order to get ready for the audit.

New designation in place of "SARP"—There was a lengthy discussion on using the SMA designation or some other designation. The Professional Advancement Committee: Steve Kessler, Chairperson, Bob Ebert, Roy Taylor, Dot Montag, Jim Anderson, Victor Lupi, George Taylor, & Larry Henbest, plus Alvin Bills and Al Greene were asked to research this and come up with a recommendation at the April meeting.

Ad Hoc Committee—There has been an Appraisal Foundation organized of the seven major appraisal groups in N.J. to talk about and to propose an alternate bill to the one that has been proposed by Senator Bernard for Federal licensing of all the appraisers. A non-binding questionnaire was distributed to be filled out by the Executive Board and to be returned to the AMANJ Secretary.

Retired Assessors as Consultants—When an Assessor retires and then goes to work for a town as a consultant they are jeopardizing their pension. The AMANJ is completely against this situation.

Executive Board member—There is a County President who is not a member in good standing with the State Association, which is in conflict with the AMANJ's Constitution and By-Laws. President Pastor should write a letter asking him to become a member or to appoint a member who is in good standing as a representative to attend the AMANJ Executive Board Meetings.

Lobbyist—There has been some discussion about whether the AMANJ should retain a Lobbyist. A committee consisting of Bill Bailey, Chairperson, Steven Kessler, and Bill Birchall, was appointed to investigate the pros and cons. They are also to report at the April meeting exactly what a Lobbyist does and what his/her duties would be if we decided to retain one.

NRAAO—A loan of \$1,000.00 from the current budget was approved by the Executive Committee for the NRAAO in 1989 Conference Committee. The loan will be paid back when the NRAAO Executive Board meets in June in New Hampshire.

COMMITTEE REPORTS

Civil Service, Barbara Clark, Chairperson—

The Committee will meet with Al Bills in the near future.

Exemption, Deductions, Nancy Queeney, Chairperson—

Old A-1209 will receive a new number this year.

Education, Burnham Hobbs, Chairperson—

There are two educational programs planned. The first one is "The Assessor in a Reassessment Program" and will be 3 one-day seminars in different locations in the state. The classes will be limited to 75. Because of State funding, the first 50 will be paid for by the State and the balance will have to pay themselves. The question was raised about why we hold the seminars at expensive hotels, and why can't we hold the seminars at a college so that all Assessors and their staff could be paid for from the State fund. This will be discussed with Rutgers.

There will also be a Stress Management program scheduled for May.

The RPA II syllabus is in the process of being rewritten.

Assessors Outing, John Dyksen, Chairperson—

Tentative date is Monday, August 8, 1988.

Constitution and By-Laws, Tony Leone, Chairperson—

There is a meeting scheduled for March 1 of the Constitution and By-Laws and the Code of Ethics Committees. We hope to have the Code of Ethics ready to be presented at the Bi-Annual Meeting in June.

NRAAO, Victor Hartsfield, Chairperson—

Anyone who is not a member is urged to join because the 1989 NRAAO Conference will be held in Atlantic City, N.J.

If you are interested in traveling to the 1988 Conference by bus and/or you did not receive a registration packet, see Victor. The 1988 Conference is to be held at the Mount Washington Hotel & Resort, in Bretton Woods, New Hampshire, on Sunday, June 5th through Thursday, June 9th.

Property Tax Committee, John Murray, Chairperson—

Committee is going to review S-1952 (Stockman's bill) and report back at the April meeting.

Ken Beck Scholarship Foundation, John Dyksen, Chairman—

There is a meeting scheduled for February 24th.

Professional Advancement Committee, Steve Kessler, Chairperson—

A report will be given at the April meeting.

EDP, Courtney Powell, Chairperson—

Meeting scheduled for February 23rd at Courtney's office.

NEW BUSINESS

Bernie Marx drew up an Assessor's questionnaire which was distributed to the Board. There were a number of additions and changes recommended. President Pastor appointed a committee to work on the questionnaire and report at the April meeting: Betsy Barr, Chairperson, Bernie Marx, Gary Toth, Lee Serlenga, Ernie DelGercio, Bernie Hobbs, and Jack Butler.

There is going to be a luncheon held at the Mayfair Farms in West Orange on March 24th honoring Robert Ebert who is retiring.

Leo Morris is going to retire July 1st.

Victor Hartsfield read a letter that he received from Union County re: The AMANJ Attorney filing a class action suit against the revaluation in Montclair. It was the general consensus of the Executive Board that until we can afford to hire an attorney on a full-time basis, we can not place restrictions on his practice. It was also thought that Jean Caradonna and Ed Rosenblum should sit down together to discuss the problems there.

Respectfully,
Vicky Mickiewicz, CTA, SPA Secretary

CODE OF ETHICS AND STANDARDS OF PROFESSIONAL CONDUCT

The purpose of this Code of Ethics and Standards of Professional Conduct is to establish ethical and professional guidelines for assessing officials and other members of the Association of Municipal Assessors of New Jersey and to set forth standards by which to judge an AMANJ member whose conduct is in question.

Members of AMANJ shall conduct themselves in a manner that will reflect favorably on themselves, the appraisal profession, the property tax system and the Association of Municipal Assessors of New Jersey. Members shall avoid any action that could discredit themselves or these entities:

1. Performance

Perform their duties in accordance with applicable laws and regulations and apply them uniformly and fairly. Perform all appraisals or other assessment related assignments to the best of their ability and in accordance with the professional standards of the AMANJ.

2. Access to Information and Records

Make available all public records in their custody for public review unless; access to such records is specifically limited or prohibited by law, or the information has been obtained on a confidential basis and the law permits such information to be treated confidentially. Make every effort to inform the public about their rights and responsibilities under the law and the property tax system.

3. Respectful Attitude

Maintain an open, courteous and respectful attitude in their dealings with the public and require the same of their subordinates.

4. Public Officials

Cooperate with public officials to improve the efficiency and effectiveness of the property tax in particular and public administration in general.

5. Conduct and Propriety

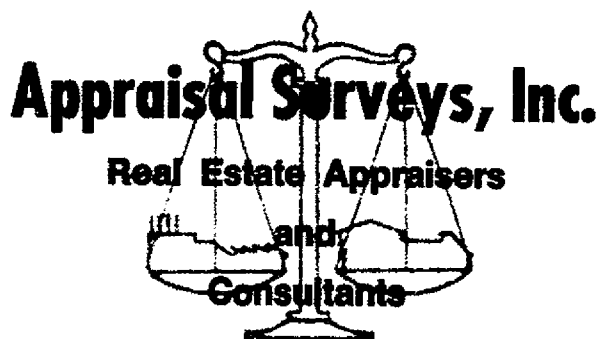
Conduct their duties and activities in a manner that will reflect credit upon themselves and their profession. Members shall avoid the appearance of impropriety. It shall be improper for an assessing officer to represent a taxpayer in any manner involving the determination of assessments.

6. Professional Qualifications

Claim no professional designation unless authorized by the conferring organization, whether the claim be verbal or written, nor claim qualifications that are not factual or may be misleading.

7. Recognition

Give full credit to the source of any materials



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quoted or cited in writings or speeches. Strive to increase knowledge and improve professional skills.

8. Prohibited Activities

Accept no appraisal engagement or other assessment related activity that could reasonably be construed as being in conflict with their responsibility to their jurisdiction, employer or client. Accept no appraisal engagement in which they have an unrevealed personal interest or basis or which they are not qualified to perform.

9. Contingent Compensation

Accept no engagement for which their compensation, or that of their employer, is contingent upon or influenced by any condition that could impair their objectivity including, but not limited to:

- a. reporting a predetermined value;
- b. the amount of the value estimate;
- c. reporting a predetermined opinion, conclusion, or recommendation;
- d. the amount of a reduction in taxes;
- e. any other similar action or result.

It is not the purpose of this standard to prohibit the acceptance of all contingency engagements. It does, however, prohibit the acceptance of contingency engagements for the performance of appraisals where a member is required to render an opinion of value or to testify thereto.

(continued on next page)

(Ethics continued)

10. Advertising and/or Solicitation

Use no advertising or promotion to solicit assessment related engagements that are not totally accurate and truthful, and avoid using misleading claims or promises of relief which could lead to loss of confidence in appraisal or assessment professionals by the public.

11. Reporting Unethical Practices

Report to the Chairperson of the AMANJ Ethics Committee any unethical practices or other actions by AMANJ members which could reflect discredit upon the AMANJ or upon the appraisal or assessment profession.

12. AMANJ And Its Officials

Cooperate fully with the Executive Board, Professional Ethics Committee and the AMANJ staff in all matters related to the enforcement of this code.

13. Responsibility of Membership

Subscribe to the Code of Ethics and Standards of Professional Conduct, the Constitution and By-laws of Association of Municipal Assessors of New Jersey as the same may be amended from time to time.

**MEMBERS OF THE NOMINATING
COMMITTEE, OFFICES TO BE FILLED AND
THE NAME OF THE PERSON PRESENTLY
HOLDING THESE OFFICES**

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

Chairperson—William E. Birchall, Jr., Hainesport & Lumberton, Burlington County; Member-at-Large—Steve Kessler, Winslow Twp. & Barrington, Camden County; Alternate—James Anderson, Pt. Pleasant & Pt. Pleasant Beach, Ocean County; Atlantic, Cape May, Cumberland—George Taylor, Upper Deerfield, Cumberland County & Pittsgrove, Salem County; Bergen, Hudson, Passaic—Charles J. Shutt, Midland Park & Ridgewood, Bergen County; Burlington, Monmouth, Ocean—Bernard J. Marx, Colts Neck, Fair Haven, Little Silver, Shrewsbury, Monmouth County; Camden, Gloucester, Salem—Horace Spoto, Woodbury & Harrison Twp., Gloucester County; Essex, Morris, Union—John J. Murray, Millburn, Essex & Florham Park, Morris County; Hunterdon, Sussex, Warren—Herbert Tietjen, Readington, Hunterdon County; Mercer, Middlesex, Somerset—Gary Toth, South Plainfield, Middlesex County.

There are the President-Elect, Secretary, and four (4) Vice-President positions up for election. The President-Elect and Secretary must be a regular

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member in good standing in their County and a regular member of the AMANJ in good standing. The Vice-Presidents must be a regular member in good standing from one of the Tri-Counties that he or she will represent, and a regular member in good standing of the AMANJ.

The offices to be filled and the names of the persons presently holding those offices are:

President-Elect—Vacant

Secretary—Vicky Mickiewicz, Dover Township & Island Heights, Ocean County (is eligible to run for another term).

Atlantic, Cape May, Cumberland—Arthur E. Amonette, Egg Harbor Twp. & Linwood City, Atlantic County (is eligible to run for another term).

Bergen, Hudson, Passaic—Charles J. Shutt, Ridgewood & Midland Park, Bergen County (is NOT eligible to run for another term).

Camden, Gloucester, Salem—Horace Spoto, Logan, Harrison, & Woodbury, Gloucester County (is NOT eligible to run for another term).

Hunterdon, Sussex, Warren—Donald D. Rowe, Blairstown, Harmony, Oxford Twp., & White Twp., Warren County (is 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 June 1. The Nominating Committee shall meet at the June Continuing Education Conference to interview all candidates. On or before July 1 of each year and following consideration of all prospec-

(continued on next page)

(Nominating Committee continued)

tive 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 & 11/19/86"

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 (20) 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 11/17/82"

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"

Resumes should be sent to: William E. Birchall, Jr., Chairperson, P.O. Box 31, Hainesport, N.J. 08036 with a copy to: Vicky Mickiewicz, Secretary, P.O. Box 123, Toms River, N.J. 08754.

Vicky Mickiewicz, Secretary

SENATE, NO. 1952

An Act concerning property tax assessment, establishing a Division of Local Property Tax and Assessment in the Department of the Treasury, and an Assessment Administration Review Board in but not of that department, relating to the duties and powers of the division and the board, and amending, supplementing and repealing parts of the statutory law and making an appropriation.

1. This act shall be known and may be cited as the "Property Tax and Assessment Administration Act of 1988."

2. The Legislature finds and determines that:

a. Article I, Section 1, paragraph 1 of the Constitution of the State of New Jersey requires that all real property in this State be assessed for taxation under the same standard of value, in order to ensure equity in taxation, and the Legislature has defined this standard as "true," or "market" value;

b. Because of such factors as rapidly changing real estate markets, excessive workloads borne by many local tax assessors and limited resources available thereto, a lack of uniform standards of performance by assessors and uniform data processing standards, and the technological obsolescence of certain local assessment practices, it has been extremely difficult for many municipalities to maintain current market value assessments for all properties within their corporate boundaries;

c. Through the statutory equalization process, the Legislature has addressed certain difficulties arising from differential assessment levels, by directing county boards of taxation to adjust aggregate assessments to presumed market levels for the pur-

pose of equitable inter-municipal apportionment of county and school tax burdens; however, many municipalities experience severe discrepancies in the ratio of assessed to true value among the properties within their boundaries;

d. When intra-municipal discrepancies become too severe, it becomes necessary to revalue all parcels of real property within a municipality in order to reestablish fair and equitable taxation pursuant to the intent of our constitutional mandate, and to avoid costly and time consuming litigation; however, the average property in this State is revalued only once every seven years, and nearly one-fourth of all municipalities have not performed a revaluation or complete reassessment of property within their corporate boundaries for at least ten years;

e. When revaluations and reassessments are performed irregularly and infrequently, and valuations are not maintained at current market levels between revaluations and reassessments, the implementation of a revaluation or complete reassessment results in substantial, immediate shifts in tax burdens, which may severely strain the financial resources of many property owners and thus threaten the long-term stability and viability of neighborhoods and municipalities;

f. Many of the inefficiencies in the assessment system of this State, which result in the vicious cycle of inequity and revaluation-induced tax shock, are attributable to serious defects in the organizational structure of our assessment activities, including the loosely defined relationship between State, county and municipal assessment roles and responsibilities, the lack of clearly-stated standards or appraisal and record keeping for municipal assessors and the lack of full-time supervision over assessors, independent of the entity which also hears appeals of the results of their work, the absence of specific, practical goals and schedules for revaluations, reassessments and the maintenance of current property valuation, the absence of centralized guidance and direction in the development and implementation of computer-assisted mass appraisal, and the unwillingness or inability of many assessment districts to provide adequate support for the assessment function;

g. It is in the interest of the people of this State to provide the means by which the goal of equity in tax assessment may be attained, by providing for more uniform guidance, direction and supervision of the assessment function, and helping municipalities defray the cost of improved assessment practices, while at the same time maintaining the principle of local autonomy for tax assessors; and

h. To this end, it is incumbent upon the Legislature to create an administrative division, in the executive branch of government, to deal exclusively with property taxation, to create a Statewide policy making body to develop standards and guidelines for implementation by that division, to provide for increased supervision and review of the work of local assessors, separate and independent of the equalization and appeal functions of the county boards of taxation, and to provide for State financial assistance to municipalities for the improvement of property assessment within their jurisdictions.

STATEMENT

This bill revises the structure of property tax administration in New Jersey. On the State level, the bill creates an Assessment Administration Review Board, to establish standards and guidelines for the assessment of property, and a Division of Local Property Tax and Assessment, to administer the standards established by the board. The board is intended to guide the State in responding to problems and issues in property taxation, including the performance of local assessors and revaluation firms, the minimum size of assessment employment districts, and standards for assessors' compensation, staff, office space and

(continued on next page)

Association of Municipal Assessors of New Jersey

NEW JERSEY ASSESSORS BULLETIN

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(Senate No. 1952 continued)

equipment. The division is intended to serve as a clearly-defined central authority on property assessment, reassessment and revaluation, on the performance of local tax assessors, and revaluation firms, and on computerized assessment.

On the county level, the bill creates the position of County Property Assessment Supervisor. The county supervisor will be an employee of the new division, and will be directly responsible for the supervision of the work of local assessors, and the review and correction of local assessment lists. Under the bill, a county tax board will continue to perform the equalization and rate setting functions, and will continue to hear tax appeals. In this manner, the bill separates the supervision of assessment work from the decisions on appeals over the results of that work.

On the municipal level, the assessor will remain responsible for the assessment of property, the processing of exemptions, deductions and homestead rebate applications, and other current responsibilities, performed under standards adopted by the review board and administered by the division, through the county supervisor. Municipalities will be held to standards concerning assessors' salaries, staff, office space and equipment. The bill establishes a program of State aid to municipalities for assessment administration, and for the purchase of computer equipment and software to be installed in conjunction with revaluations.

In essence, the bill implements recommendations of the New Jersey Property Tax Assessment Study Commission, which recommendations were intended to provide for clearly-defined objectives and standards for property assessment, and a clear chain of authority over the assessment function. By implementing these recommendations, the bill is intended to provide for an assessment system which will more efficiently keep pace with changes in our property ratable base, and which will provide for more uniformity in property assessment, thus avoiding the vicious cycle of long term malassessment punctuated by devastating revaluations which has so long plagued many municipalities in this State. Such a system will further the implementation of the letter and spirit of our Constitution on property tax matters.

TAX BREAK FOR HOME BUYERS

Senator Wynona Lipman (D-Essex) has sponsored legislation that would allow economically distressed cities to grant five year exemptions to buyers of new homes.

IN MEMORIAM

Frank R. Viafora, 61, assessor for Jackson Township for the past 15 years, passed away on April 22, 1988. Prior to that he was the assessor of Old Bridge Township, where he lived.

A veteran of World War II, he is survived by his wife, Claire, three sons, two daughters and four grandchildren.

In mid-June, a tree planting ceremony will be held in his memory, the date to be announced.

The bill would entice residential development by issuing five year graduating exemptions on property taxes.

The full exemptions would be decreased by 20 percent each year until the full allowance disappears.

The bill would not require cities to declare areas blighted as in the case in some exemptions like the Fox-Lance bill. The sponsor stated the bill would make it easier for builders to construct needed homes in cities.

ASSISTANT TAX ASSESSOR WANTED

Assistant Tax Assessor/Township of West Windsor. Rapidly-growing Central New Jersey Municipality is seeking an Assistant Tax Assessor with experience. Salary commensurate with experience, \$18,000-\$24,000 range. Excellent benefits. Apply with resume to Administrator's Office, West Windsor Township, P.O. Box 38, Princeton Jct., New Jersey 08550. Deadline for applications, June 24, 1988.

There have never been a people who did remain free who did not have to pay the price for that freedom.

SENATE, NO. 2379

An Act concerning property tax relief, supplementing Title 54A of the New Jersey Statutes, and amending N.J.S. 54A:4-3 and P.L. 1981, c. 239, and repealing sections 1 through 14 of the "Homestead Tax Relief Act," P.L. 1985, c. 304 and P.L. 1976, c. 72.

1. This act shall be known and may be cited as the "Reduction of Property Tax Burdens Act."

2. The Legislature finds and determines that:

a. Taxes assessed and levied against real property account for approximately 40% of the tax revenues in this State each year, with much of the resultant burden falling on renters and individual homeowners.

b. Because the assessment of residential property often measures debt or expenditures which do not build equity, rather than measuring accumulated assets, and because property taxes are levied without regard to the ability of homeowners and renters to pay them, such taxes are frequently not an accurate measure of wealth;

c. The inequity of the current property tax system is shown by the fact that individuals with low and middle range incomes devote a greater percentage of their household budgets to property taxes than do individuals with higher incomes;

d. Since 1976, the Legislature has enacted a number of programs intended to control spiraling property tax levies and to provide specific property tax relief for residential taxpayers;

e. The programs which were intended to control property tax levies were effective for only brief periods following their enactment, and, while the programs intended to provide specific relief have helped ease the overall burden of property taxes, they have not sufficiently addressed the regressivity of the property tax system;

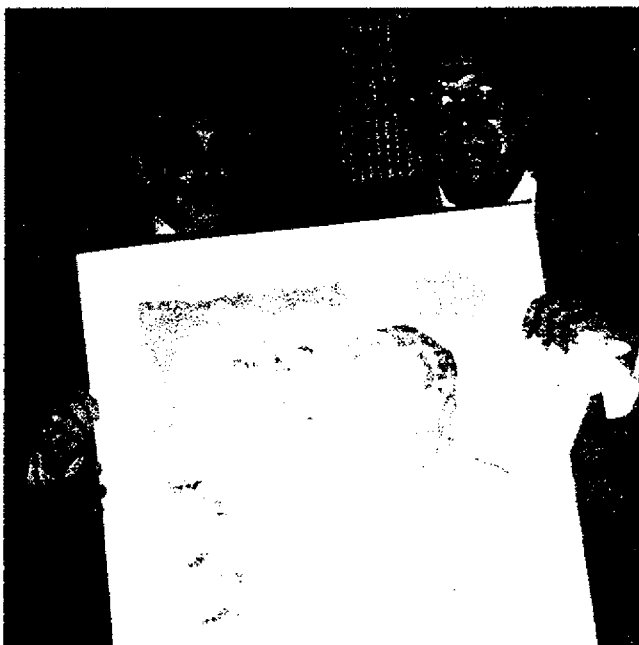
f. In light of existing and proposed reductions in federal aid to local governments, it is highly likely that the total property tax burden in this State will increase dramatically in the near future, and, as the burden increases, so will the tax pain borne by low and middle income taxpayers; and

g. To adequately and fairly deal with the growth of property tax levies and the inequities inherent in the current property tax system, it is necessary and proper to replace certain existing property tax relief programs with a program designed to provide more systematic relief, to further ease the unfair burden of property taxation and to mitigate the regressivity of this traditional revenue source.

(continued on next page)

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STATEMENT

This bill provides comprehensive property tax relief through income tax credits and refunds. Specifically, the bill provides for credits and refunds according to a percentage of a homeowner's property taxes, with that percentage declining from 45% for homeowners with gross incomes under \$30,000.00 to 5% for homeowners with incomes over \$60,000.00. The maximum credit shall be \$1,000.00 per year per homestead.

The declining percentage scale ensures that the tax relief shall be targeted to low and middle income taxpayers. The relief shall be provided in lieu of the homestead rebates provided under P.L. 1976, c. 72 (C. 54:4-3.80 et seq.), and the income tax deductions provided under the "Homestead Tax Relief Act," P.L. 1985, c. 304 (C. 54A:3A-1 et seq.). While these programs have provided mechanisms through which income tax revenues are used to help ease overall property tax burdens, they do not adequately address the regressive nature of our property tax system. The programs are replaced by the credits provided under this bill.

SENATE, NO. 1975

A Supplement to "An Act making appropriations for the support of the State Government and the several public purposes for the fiscal year ending June 30, 1988 and regulating the disbursement thereof," approved June 30, 1987 (P.L. 1987, c. 154).

In addition to the amounts appropriated under P.L. 1987, c. 154, there is appropriated out of the General Fund the following sum for the purpose specified:

Payment in lieu of taxes to the city of Newark for State prison (\$1,630,000)

2. Within 90 days of the effective date of this act, the State Treasurer shall determine the amount of payments in lieu of property taxes owed to the city of Newark during the time the State prison was being constructed, on the land on which the prison was built and on any facilities under construction.

3. This act shall take effect immediately.

This bill appropriates \$1,630,000 from the General Fund to the city of Newark as State aid for payments in lieu of taxes for the State prison located in Newark.

Association of Municipal Assessors of New Jersey
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