

New Jersey



Assessors

Bulletin



MEMBER
International Association
of Assessing Officers

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PRESIDENT'S MESSAGE

Senate Bill #2734 is the headline news for New Jersey Assessors for 1990. We've only just begun



to see and understand how truly devastating it would be if passed. To date, I have received over 200 phone calls, attended more than 50 meetings and have read more than 100 letters, resolutions or articles, all on the subject of S-2734. Ninety-nine percent of

all I have heard or seen is in opposition to the type of property tax reform proposed by Senators Lynch and Stockman. Ironically, the articles and comments in favor of S-2734 all come from people who admit that they know nothing, or have had no experience in property taxation. Their only concern is a need for change without regard to the ramifications that such drastic reforms will have on those who will be hurt the most, the taxpayer.

Recently, David J. Hladick, reporter for the Trenton Times, published an article expounding on his views as to why New Jersey should have reform. He praises Senators Stockman and Lynch for a timely Bill that addresses property assessment reform. He claims the Bill provides a fair and equitable property assessment system, something we've never had in New Jersey. He goes on to say "... Sadly much of the opposition stems from the local practitioners of the existing system--municipal

assessors and county tax administrators. The Stockman-Lynch Bill clearly states that they would have first crack at jobs under a new modernized assessment system, but that doesn't seem to be satisfactory.

Mr. Hladick states that a moratorium is hardly a solution, yet both Senators Lynch and Stockman have proposed legislation for moratoriums for Trenton and New Brunswick in the face of S-2734 which would do away with moratoriums. Hladick states "...What isn't working in New Jersey at the moment is the property assessment system itself. The system is inefficient, inequitable, expensive, and lacks clear accountability. The system is a relic from another age and ought to be scrapped..."

All of this comes out of the mind of a person who states "...I am not an expert on the subject, nor do I pretend to be..." Indeed, Mr. Hladick is not an expert in the field of property taxation and perhaps he should have contacted a few experts before he embarked on this campaign for his native Trentonian (Gerald Stockman) and the President of the Senate (John Lynch). All he knows is what he has read or what he has heard from his comrades. There is nothing in his article, which so strongly supports S-2734, that is based on a professional analysis of the property assessment system or the changes that are needed. Yes, we (N.J. Assessors) agree that changes are needed in the system. We just don't feel that the language of S-2734 addresses

(Continued on next page)

(PRESIDENT cont.)

all that is needed and goes to great extremes to make changes that are not needed. I agree with Mr. Hladick that the system lacks clear accountability; but, haven't we been saying this all along? There is nothing wrong with the current system that cannot be changed, corrected, or solidified with greater accountability beginning at the State level and working down to the local level. I think Mr. Hladick should report the facts rather than render opinions that are obviously one-sided.

An editorial in the November 25, 1990 issue of the Asbury Park Press leads taxpayers to believe that reassessments are made by assessors who "...sit in an office and use real estate sales figures and formulas to guess the current real worth of a house or office..." resulting in increased taxes if tax rates remain the same. The editorial goes on to say that hundreds of municipal tax assessors who fear losing their jobs are critics of the Lynch-Stockman Bill.

Again, it appears that someone with little or no experience in property tax matters is lobbying for support of S-2734; and, again, using the assessor as a scapegoat for the problems in the current system. New Jersey Assessors are the most knowledgeable and most qualified experts in property assessment matters. The Association of Municipal Assessors of New Jersey represents a great majority of New Jersey assessors and, on their behalf, have been quite articulate on property assessment matters for many years. Certainly, the media, and/or the sponsors of legislation dealing with property assessments, can contact AMANJ for consultation on the issues so they can get their facts straight.

From our meeting on November 14, 1990, with Senators Lynch and Stockman, it seemed clear to me that those in attendance impressed upon the sponsors of S-2734 that the Bill is in need of careful consideration. Changes and/or amendments reflecting the needs and concerns of all who are affected by assessment reform, with resounding empathy for all New Jersey taxpayers, should be foremost in our minds as we deliberate over the issues. Senators Lynch and Stockman have indicated a willingness to talk about changes to S-2734; and, they have acknowledged that the Bill will not move without all due considerations.

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I am satisfied, for now, that the Senators will honor their word and continue to meet with AMANJ representatives to expeditiously resolve the matters which orbit the crucial yet radical legislation. However, we can not, and will not, let our guard down until we have reached a meeting of the minds and we are confident that we have the best possible property assessment system in New Jersey.

Congratulations to Joe Gallagher and the Atlantic City Committee for a fine job in planning and hosting the assessors programs and hospitality at the League Conference. We certainly appreciate all the hard work. Also, congratulations to all our newly elected officers: Joseph Gallagher, President-Elect; Kathi Meale, V.P. Atlantic, Cape May and Cumberland; Frank Bucino, Continuing V.P. Bergen, Hudson, and Passaic; Christine Wahl, V.P. Camden, Gloucester and Salem; Lorah Hauser-Jankord, V.P. Hunterdon, Sussex, and Warren; and, William Nikitich, Treasurer. I look forward to working with you this year.

Respectfully submitted,
Victor A. Hartsfield, Sr.,

President

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Dr. Lee L. Schroeder — President

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LEGISLATIVE REPORT

November 1990

One of the first things we do when starting a column for the *Bulletin* is look back at the prior

issues to avoid, if possible, being repetitious.

While that may be difficult to do with a Bill such as S-2734 around, we will let that major



issue be the subject of other articles and admit that there are, in fact, other Bills in the legislative hopper which may impact us as Assessors.

One Bill in which we have had a long-term interest is A-1143, Assemblywoman Barbara Kalik's bill to have the state pay for the totally disabled veteran exemption. A-1143 is on the move again, having been released by the Assembly Municipal Government Committee and sent to the Appropriations Taxation Subcommittee.

Senate-249, the Appraiser Licensing Act, has finally made it out of the Senate Labor, Industry and Professions Committee as a voluntary program without any mention of Assessors. Since the intent of the federal rules requiring licensing is to regulate those who do appraisals relating to federal money, this Bill does not need to relate to Assessors in their official capacity.

In spite of any attempt, such as S-2734, to legislate mandatory revaluations, there are still attempts in both houses of the legislature to postpone revals or delay their implementation.

The most popular items with the legislators continue to be those which are perceived to be vote getters, veterans and senior citizen deductions. Currently there are about a dozen Bills in each category aimed at either increasing the amount of or the eligibility for these deductions.

Bill Birchall & Walt Kosul, Co-Chairmen

CONGRATULATIONS ANDY!!

Andrew J. Doyle, Assessor of Bellmawr, NJ, Camden County, recently retired. Andy has worked in different capacities in the Assessor's office from 1952 to 1968. In 1981, Andy was appointed as Assessor and served up to his retirement in June 1990. From all fellow Assessors in the AMANJ we wish him the best of luck, health and happiness during his retirement.

WANTED

DATE REVIEWER: Township of Bernards-Somerset County Opening available January 1, 1991. 9100 line items, annual assessment program. Experience preferred. Full-time position. Salary range: \$18,532-\$26,500. Send resume, referrals and salary history to:

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**BOARD OF DIRECTORS MEETING
OCTOBER 4, 1990**

The regular Board of Directors Meeting of the Association of Municipal Assessors of New Jersey was called to order by President Victor A. Hartsfield, on Thursday, October 4, 1990 at 10:15 a.m. at BaCar's Quality Inn, North Brunswick.

Following the Pledge of Allegiance, President Hartsfield asked for a moment of silent prayer.

Roll call was taken by Secretary, Vicky Mickiewicz, with 28 members and 5 guests present, which constituted a quorum.

Motion was made by Lee Serlenga, 2nd by Brian Vigue, that the minutes of the Board of Directors Meeting of August 16; the Special Executive Committee Meetings of August 2, August 28, & September 21; and the Special General Membership Meeting of August 22 be approved as distributed. Passed.

Treasurer's report was given by Lee Serlenga, Treasurer. Victor said that he had received donations from Salem County and from Monmouth County toward funding the S-2734 fees.

President Hartsfield asked Tom O'Neil, our lobbyist, to report on the meeting with Senator Lynch and Senator Stockman which was held on September 26, to give a progress report.

The membership is asked to be very careful when they have any contact with the news media, not to give misleading information, and in most cases it would be much better to defer to Tom O'Neil, Victor Hartsfield, Ed Rosenblum, or one of the S-2734 Committee to articulate the Association's position. It appears that some of the Legislators believe that the Assessors are divided in their opinion of S-2734.

Ed Rosenblum answered many questions members of the Board had. Ed also gave some of his

thoughts on the progress that has been made and what he thinks still needs to be done.

Jim Anderson made a motion, 2nd by Paul Raffiani, that the AMANJ should forward the \$250 deductible amount that is outstanding to Anthony Andora for a case that he handled, and that a bill be forwarded to Evelyn Z. Sommers for reimbursement. Passed.

The By-laws of the AMANJ requires that a claimant for legal fees shall be required to pay the deductible amount before any legal expenses are incurred by the AMANJ, and this policy will be enforced from now on.

Proposed budgets were distributed and Steve Kessler, Chair, answered questions. Bob Pastor made a motion, 2nd by Kathi Meale, that the budgets be adopted and be presented to the general membership in November. Passed.

There was a new paragraph that was added in S-249 that is in violation of the professional code of ethics of AMANJ. "A holder of a valid certified tax assessor certificate whose appraisal activities are limited to appraisals made in the course of reviewing property tax assessments to assist property taxpayers who retain him to pursue assessment reductions to the extent provided by law." It appears that this paragraph has been deleted from the Bill.

The Audit Committee should meet before the Annual Meeting and will consist of Steve Kessler, Betsy Barr, and Don Rowe.

President Hartsfield stated that Lorah Jankord, Vice-President Hunterdon, Sussex, Warren, was not included in the original listing of candidates of the Nominating Committee's report. Passed.

A recommendation for a change to the Constitution and By-Laws was received from Frank Bucino which will be referred to the By-Laws

(Continued on next page)

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Committee for review.

Bob Pastor suggested that the AMANJ President's term of office be changed from a two year to a one year term, and that an Executive Director be hired to alleviate some of the pressure of the President. President Hartsfield asked that the proposal be drawn up and submitted to the By-Laws Committee for a possible change at the Bi-Annual Meeting in June.

Dorothy Montag, Township of Galloway, will be retiring as an Assessor as of November 1, 1990. Dot has been very active in the AMANJ and will be missed, however, we wish her a happy and healthy retirement.

Some problems with some of the Rutgers instructors was discussed. The AMANJ Education Committee will be trying to come up with some solutions in the near future.

Charles Shutt notified the Association that there is a possible Code of Ethics problem. President Hartsfield said that the problem may have been resolved.

**Vicky Mickiewicz, CTA, SPA
Secretary**



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SENATE No. 2734

Introduced June 28, 1990

By Senators Stockman and Lynch

STATEMENT

This Bill, the "Property Assessment Reform Act," restructures the property tax assessment system of New Jersey. At a time when the Legislature is undertaking to provide relief to property taxpayers from excessive reliance on property taxes, it is appropriate that the Legislature also undertake to reform the property tax assessment structure to reduce or eliminate the inefficiencies and inequities inherent in the current assessment structure. This Bill builds upon the recommendations of the State and Local Expenditure and Revenue Policy Commission and the New Jersey Property Tax Assessment Study Commission to fundamentally reform property assessment structure and practice.

The Bill would restructure the property assessment system over a three year period by introducing the following major reforms:

a. The creation of a State Board of Property Appraisal to establish and oversee schedules and standards for the implementation of the act and the reform of property assessment practices.

b. The establishment of a Division of Property Assessment in the Department of Treasury which would assume all functions formerly exercised by the Division of Taxation respecting property assessment. The Bill provides the new division with a modern and coherent structure, and charges the division with implementation of the standards developed by the board. Together, the board and the division provide a structure for responding to problems and issues in property assessment, including the performance of assessors and revaluation firms, the appropriate size of assessment employment districts, and standards for the assessor's staff, offices and equipment. The division serves as the clear central authority for the direction of property tax assessment throughout the State according to the standards of the board.

c. The establishment of computer-assisted mass appraisal systems to provide the capacity for annual updating of assessment roles and values in every taxing district of the State:

d. Two years from the effective date of the act, the establishment of offices of county tax supervisors, and the assumption by the State of the cost of office space, staff, equipment and supplies therefore. The county tax supervisor, a State employee, will direct assessors within the county, and perform all the duties heretofore exercised by the county board

of taxation, except equalization and property tax appeals.

e. Three years from the effective date, the abolishment of the office of municipal assessor, the appointment of district tax assessors by the director as State employees to work under the supervision of the county tax supervisor, the consolidation of taxing districts and employment jurisdictions within each county, the establishment of offices required for district tax assessors, and the assumption by the State of the costs of staff, equipment, office space and supplies.

f. Three years from the effective date, require that all revaluation contracts be entered into by the State, and relieve municipalities of the obligation and cost of contracting for revaluations. It is expected that the implementation of computerized appraisal systems and of assessment performance standards will reduce or eliminate the need for revaluation contracts over time.

The Bill requires that the State Board of Property Appraisal develop and provide the Governor and Legislature with a schedule for implementation. The board would submit annual budget requests for legislative approval to meet the costs of implementation of the scheduled phases. While it is anticipated that these costs will be met by appropriation of State general funds, the board is also authorized to levy a State-wide administrative fee to meet portions of its approved budget not covered by general fund appropriations.

The Bill does not disturb the power of municipalities or counties respecting setting tax rates or hearing tax appeals. It relieves counties and municipalities of the costs of maintaining the assessment function including salaries, offices, equipment and supplies, and of revaluation contracts. At the same time, it provides for more uniform standards and practices for conducting property assessment and maintaining adequate assessment offices, records and equipment.

PROPOSAL

ON BEHALF OF THE ASSOCIATION OF MUNICIPAL ASSES- SORS OF NEW JERSEY FOR REFORM OF THE CURRENT SYSTEM OF TAXATION

1. The Local Property Tax Bureau should come out of the Division of Taxation and become a separate division in the Department of the Treasury.

A. The Director should be appointed by the Governor (Qualifications to be defined), subject to Senate confirmation.

(Continued on page nine)



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Executive Vice President**(PROPOSAL CONT'D)**

- B. An Advisory Board should be established to provide guidance, assistance and advice. However, final decision making power should reside with the Director.
- C. Bureaus and staff should be transferred to the new division.
- 2. **County Tax Supervisor** (County Assessment Supervisor) should be a State employee, on the staff of the Director, charged with the administration of property taxation for the assigned county. Responsibilities shall include:
 - A. Supervision of Assessors;
 - B. Sales study - SR1A's/Sales Ratio Analysis;
 - C. Equalization Table/Equalization Hearings, under uniform statewide procedures;
 - D. Certification of Tax List and Tax Rates;
 - E. Review and correction of assessments;
 - F. Disciplinary notice to assessors and requests of disciplinary action to the Director, etc.
- 3. **County Board Commissioners** should be limited to quasi-judicial functions only.
 - A. County Board of Taxation functions to be confined to the hearing and disposition of tax appeals.
 - B. Current County Tax Administrators should have the first right of refusal for the position of Secretary to the Board.
- 4. **Municipal Assessors** should be retained at the local level and paid by the municipality.
 - A. Assessors should be appointed by Mayors or appointing authorities with confirmation of the governing body.
 - B. County Tax Supervisors (CAS) should have the authority to disapprove the appointment within 60 days for specified reasons subject to appeal to the Director.
 - C. No salary or tenure rights of Assessors should be affected by the Bill.
- 5 **Revaluations:**
 - A. Should be administered by the State.
 - B. Revaluation companies should be licensed by the State.
 - C. Licensed firms should be selected to do revaluations through public bidding.
 - D. Revaluations should be ordered by the Director and paid by the State.
 - E. No moratoriums should be permitted.
 - F. Proposed Assessments under a revaluation should be subject to approval by the Assessor and the County Tax Supervisor (CAS).
 - G. Defense of appeals should be handled by the municipality with the participation of the Assessor. Revaluation companies should be required, by contract, to defend

their final assessment estimates.

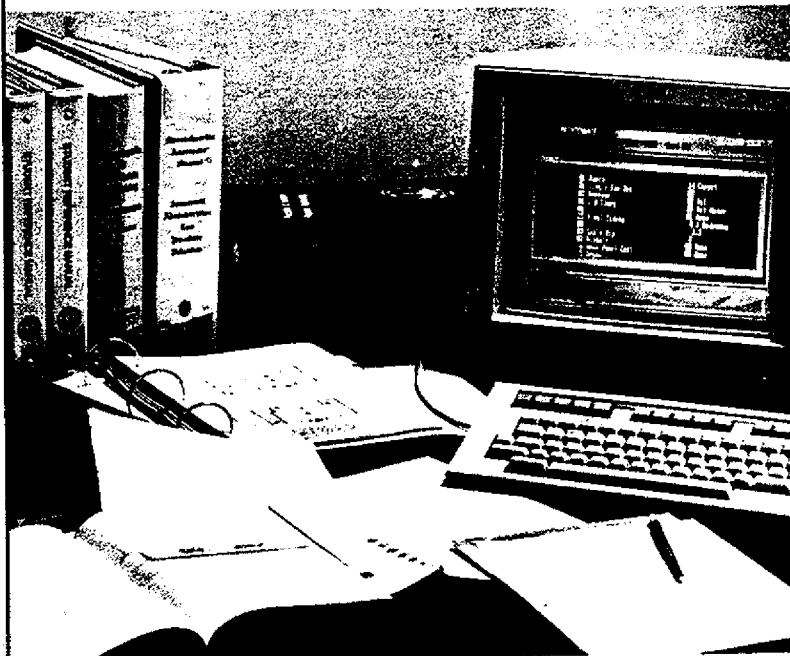
- H. There should be a two-level concept developed for revaluations, general and limited. General revaluations as normally performed; and, limited revaluations to adjust for emerging valuation patterns between revaluations.
- I. Assessors shall be responsible for maintaining uniformity of assessments between revaluations and limited revaluations.
- 6. **Computerization** - the Director should have the authority to promulgate rules and regulations for a standardized system.
- 7. **Recertification** and higher level designation (SCTA) programs should be instituted. Standards should be promulgated by the Director through administrative rule.

NOTE: These concepts are intended to devise and assure greater accountability in our property tax system.

Voted and approved by the Executive Committee on September 21, 1990. Presented orally, in Trenton, on September 26, 1990 at a meeting attended by: Senator Gerald Stockman; Sam Crane, Legislative Aide to Senator Lynch; Glenn Moore, Office of Legislative Services; Tom O'Neil, The Marcus Group; Bill Printice, The Marcus Group; Edward Rosenblum, AMANJ Attorney; and Victor A. Hartsfield, Sr., AMANJ President.



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STATE JUDGE LOWERS TAX ASSESSMENT AFTER TWO YEAR BATTLE

By Bev McCarron

A tax court judge has determined that the Beneficial Management Corp. worldwide headquarters in Peapack-Gladstone was overassessed, and the company may be due a tax refund of \$1.2 million.

Judge Lawrence Lasser of the state tax court reduced the company's assessment for its Route 206 headquarters from \$235 million to \$175 million for 1988, and to \$183 million for 1989, according to an opinion released by the borough yesterday.

"It was evident the property was overassessed by a substantial amount, and the judge brought it down to what he thought was a fair value," said Richard L. Plotkin, attorney for Beneficial.

"The judge thought it was a very splendid building, to say the least, and, frankly, that's why he valued it as high as he did," he added. "But still we believe it's too high."

Plotkin estimated the firm, the borough's only large commercial landowner, is due a \$1.2 million refund for 1988 and 1989. In addition to Lasser's ruling on the headquarters complex, the company also succeeded in reducing the value of five small adjoining pieces of property in a settlement with the borough.

Plotkin said if the judge's ruling stands, the company would also seek a tax refund of \$607,000 for 1990.

Beneficial is reviewing the decision to determine whether to appeal, Plotkin said.



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