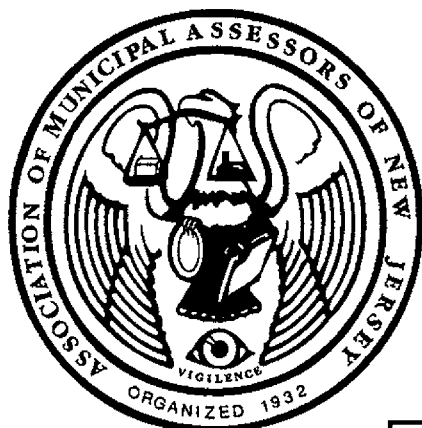
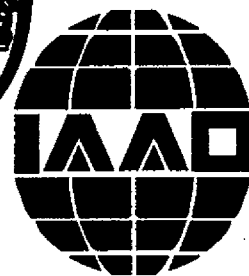


New Jersey



Assessors

Bulletin



MEMBER
International Association
of Assessing Officers

VOL. 30, No. 2

MAY 1991

PRESIDENT'S MESSAGE

I have finally found a couple of topics that might be a little more interesting than the current status of



S-2734. Although S-2734 remains an important issue, let me first tell you what I have heard about our new Director of the Division of Taxation. On April 25, 1991, the Governor submitted the name of Leslie A. Thompson to the Judiciary. Her name came out the same

day and is now up for a vote of the full Senate in mid-May. I am told that Leslie A. Thompson hails from Wall Township, Monmouth County. She has worked on the finance side of several corporations including Shearing Plough, Esmark Corporation and General Electric. She graduated in 1970 from Marietta College in Ohio. Little else is known at this time. However, it is presumed that she has little knowledge in property taxation. Her appointment is expected to get full approval from the Senate.

Also on April 25, 1991, the Governor submitted the following for Judiciary review:

For appointment to the State Real Estate Appraisal Board: James T. Casey, Springlake Heights; Carmine Mistichelli, Elizabeth; Joseph H. Martin, Lawrenceville; Rodney G. Kirkland, Plainfield; Robert H. Scrivins, Long Valley.

For appointment to the Tax Court of New Jersey: Joseph C. Small, Princeton Borough.

For appointment to County Tax Boards: Earl Emmons, Burlington; John Alloy, Burlington; James G. Wallington, Salem; Anthony Ballestrino, Sussex.

My understanding is that each of these names were reported out of Judiciary Review with one exception. The appointments are expected to pass the Senate in mid-May.

I have been asked by Harris Adams of Local Property to select three Assessors to serve on a committee he is forming for revaluations and reassessments to establish recommendations for State standards. This effort will prove to be worthwhile and I have assigned this task to Courtney Powell, Chairman of the EDP, Revaluation and Reassessment Committee of AMANJ.

Another request was made by the Association of County Tax Board Commissioners and Administrators. They have asked that I appoint someone from AMANJ to serve on their Committee to review S-2734. George R. Brown, County Board Administrator of Cape May County will chair the Committee; and, thus, I felt it appropriate to ask our President-Elect, Joe Gallagher, to accept the appointment and he has graciously acknowledged that he would.

Speaking about S-2734; at our last Board of Director's meeting on April 4th, the recommendations of the S-2734 Committee were voted on one-by-one and met with the general acceptance and approval of the majority. There were suggestions and recommendations made to modify, amend, and delete certain lines, words or statements which were also voted on and approved by the majority. We recognized the abstentions on most of the points. However, we were happy to see that on three or four points there was a unanimous vote which proves that we are united on some, if not all, of the issues. We have agreed; we have disagreed; and, we

(continued on next page)

(PRESIDENT con't.)

have agreed to disagree. Through it all, we have come up with a means to an end. We have decided that we are opposed to S-2734 for a number of reasons. I will make certain that each member of the Board of Directors is aware of how the opposition and reasons are structured, in letter form, before submission to the sponsors. I would also like to hear from the League of Municipalities, and other affiliated organizations, to ascertain their thoughts after analysis of the Bill.

All-in-all, I hope we have come to an end of a segment in our professional lives that will pass on without benefit, thanks, or reward for all the aggravation of mind and body, the decimation of long-time friendships and the atomizing of unity.

Chapter 75 Laws of 1991 was passed on March 28, 1991. Formerly known as A-4425, this fiscal-year budgeting Bill will change the tax appeal filing date to April 1st and require assessors to notify taxpayers of their assessments and previous years taxes on or before February 1st. Some of you may have received a brochure for a seminar on "Fiscal Year Changes for Officials." Municipalities who have elected to change to a fiscal year are advised of the importance for the Mayor, Business Administrator, Municipal Clerk, Tax Assessor, Tax Collector, and Chief Finance Officer to attend this seminar. The seminar is sponsored by the Institute for Professional Development, 17 Hathaway Place, Suite 101, Glen Ridge, NJ 07028 (201/748-7641). It will be conducted by Deputy Commissioner Barry Skokowski. It will take place May 9, 1991 at Rutgers University, Busch Campus, Fiber Optics Building, Piscataway, NJ. Costs are \$45 for government employees and \$79 for non-government employees. I have been advised that we will receive a joint directive from Local Property and Community Affairs in the near future which will outline steps and procedures. Although the legislators have ignored our supplications, I believe they will be open to future amendments due to the lack of time to offer constructive criticisms or changes to the original Bill.

As I sit here in my bed, recuperating from surgery, I am reminded to thank those who have called, sent cards, or gifts to wish me well during my illness. To date, May 2, 1991, I have received well wishes from: my staff in the East Orange Department of Property Taxation; my Mayor, the Honorable Cardell Cooper; Randy and Emily Brokaw; the Mercer County Assessors Association; the Essex County Assessors Association; the Association of Municipal Assessors of New Jersey;

- Accurate Data Collection
- Quality Inspection

The Quality Control Program at CLT

*It's a
Promise*

- Client Feedback
- Performance Evaluation

Cole • Layer • Trumble Company

Pine West Plaza
Washington Avenue Extension
Albany, NY 12205
1/800/426-5726



and, many other friends and relatives. To each and everyone, I thank you from the bottom of my heart.

Victor A. Hartsfield, Sr.
President-A.M.A.N.J.

JAMES GOUMAS RETIRES



Francis F. Murphy, President of Middlesex County Board of Taxation, congratulates Jim Goumas on his retirement as Assessor for Perth Amboy.

Revaluation Programs & Reassessment Support

Dr. Lee L. Schroeder — President

AMS

Applied Measurement Services

Tarnfield Executive Complex
1112 Woodlane Rd. Suite 53
Mt. Holly, NJ 08060
In NJ: 800-624-1759

■ Consultation and tax appeal assistance

■ Mod-4 compatible computerized systems for reassessment

■ Computerized File Maintenance and update services.

LEGISLATIVE REPORT

As difficult as it may be to believe, there really are items other than S-2734 on the legislative agenda by which we, as Assessors, might be affected.



There are approximately 160 bills which have been introduced during this legislative session (since January 1990) that we are monitoring. Of these about 30 have seen activity



since the beginning of 1991, including 20 new introductions that are still in their original committees and four which have been signed into law.

Occasionally, a bill may seem to not have any relationship to Assessors, at least from its summary. A good example of this is A-4425 which "Allows municipalities to adopt budget year beginning July 1." While at first glance, this appears to relate to finance officers, we find ourselves deeply involved in what has become Chapter 75, Laws of 1991. The law contains provisions for changing the appeal deadline to April 1 and the mailing of notices to all taxpayers advising them of their assessment ten days before the book is filed and within thirty days of any change in their assessment. While this bill will have a major impact on finance people and tax collectors, its effect on us should not be overlooked. As this article is being written, the guidelines for implementing c. 75 have not been released. Taking only ten weeks from introduction to signing by the Governor, c. 75 is a good example of how quickly things can move through the legislature.

Bills relating to "Property Tax Relief," Veterans and Senior Citizens are never more popular than in a year when the legislators are due for re-election. While Operation Desert Storm generated several bills which do not relate to the assessment function

there are two new bills relating to veteran's deductions or exemptions so far this year, A-4339 and A-4484. Also, two bills, A-4561 and ACR-145 would change requirements for the Senior/Disabled deduction.

Property Tax Relief is another speed generating topic this year. Two Senate bills, S-3230 and S-3231 became Chapters 62 and 63 of 1991 in slightly over eight weeks from introduction. Although some might contend that this type of legislation will not affect us, anything that lowers property taxes could, theoretically, lighten our load.

The balance of 1991 should be an exciting time in the Legislature, with major efforts to have bills passed this session. We will continue to monitor activities closely to preserve the standing of our Association and the New Jersey Assessor.


Bill Birchall & Walt Kosul,
Co-Chairmen

SENATE No. 3231

AN ACT concerning State aid to certain counties and municipalities, amending and supplementing various sections of the statutory law and making appropriations therefor.

STATEMENT

This substitute, which includes the "Supplemental Municipal Property Tax Relief Act," provides local property tax relief in the form of State aid to all municipalities. Most of the aid (\$305,000,000 appropriated in FY92) is allocated through a formula that is based on equalized tax rates. Municipalities with an equalized tax rate more than twice the Statewide aggregate tax rate shall receive State aid equal to \$72.76 per capita. Municipalities with a tax rate between the Statewide aggregate and twice that rate shall receive State aid equal to \$42.75 per capita. Other municipalities shall receive aid at \$31.83 or \$22.73.



G E O D CORPORATION

PHOTOGRAMMETRIC SCIENCES - SURVEY TECHNOLOGIES

COMPUTERIZED TAX MAPPING

- DEVELOP
- UPDATE
- REVISE
- MAINTAIN
- EXPANDABLE PROGRAM FOR MUNICIPAL INFORMATION SYSTEMS

16-24 KANOUSE ROAD, NEWFOUNDLAND, NEW JERSEY 07435 (201) 697-2122

RESOLUTION

WHEREAS, SENATORS STOCKMAN AND LYNCH HAVE DRAFTED A SUBSTITUTE FOR SENATE BILL 2734 AND HAVE OFFERED THIS SUBSTITUTE BILL TO THE SENATE AND GENERAL ASSEMBLY OF THE STATE OF NEW JERSEY FOR PASSAGE; AND

WHEREAS, THE ASSOCIATION OF MUNICIPAL ASSESSORS OF GLOUCESTER COUNTY HAS MET TO REVIEW THE SUBSTITUTE BILL AND ARE OPPOSED TO IT IN ITS CURRENT FORM; AND

WHEREAS, THE EXECUTIVE COMMITTEE OF THE ASSOCIATION OF MUNICIPAL ASSESSORS OF NEW JERSEY HELD A SPECIAL MEETING ON FEBRUARY 4, 1991 WHERE THEY PROPOSED ELEVEN (11) CHANGES TO THE SUBSTITUTE BILL; AND

WHEREAS, THE ASSOCIATION OF MUNICIPAL ASSESSORS OF GLOUCESTER COUNTY ARE IN AGREEMENT WITH THE RECOMMENDATIONS OF THE STATE ASSOCIATION EXECUTIVE BOARD AND HAVE MADE ADDITIONAL RECOMMENDATIONS.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSOCIATION OF MUNICIPAL ASSESSORS OF GLOUCESTER COUNTY THAT THE SUBSTITUTE FOR S-2734 BE REVISED ACCORDING TO THE ATTACHED RECOMMENDATIONS OF THE STATE EXECUTIVE BOARD AND THE COUNTY ASSOCIATION BEFORE CONSIDERATION BY THE SENATE AND GENERAL ASSEMBLY OF THE STATE OF NEW JERSEY.

BE IT FURTHER RESOLVED THAT THE LEAGUE OF MUNICIPALITIES, THE ASSOCIATION OF ASSESSORS OF NEW JERSEY, AND ALL COUNTY ASSESSORS ASSOCIATIONS ARE ENCOURAGED TO OPPOSE THE

BILL IN ITS CURRENT FORM AND PASS SIMILAR RESOLUTIONS.

THIS RESOLUTION WAS ADOPTED AT A MEETING OF THE ASSOCIATION OF MUNICIPAL ASSESSORS OF GLOUCESTER COUNTY HELD ON FEBRUARY 26, 1991.

ASSEMBLY, No. 4484

AN ACT extending the veterans' property tax exemption to certain veterans and amending P.L.1948, c.259.

STATEMENT

This bill extends to disabled veteran tenant shareholders and their surviving spouses residing in a cooperative or mutual housing corporation the property tax exemption currently afforded to disabled veterans and their surviving spouses who own and reside in a single-family home, a portion of a multi-family home, or a unit in a condominium or a horizontal property regime.

There is no cosmetic for beauty like happiness.

REMEMBER?



The Smallest Name in Appraisal Circles

William T. Ard, MAI
President



CLARK
(908) 396-1965

JERSEY CITY
(201) 798-1925

BRICK
(908) 920-1950

MCMLXV

LEGAL CORNER

Freeze Act

"The tough get tougher"



An obscure and ill-defined aspect of the Freeze Act is the defense of "change in value." *N.J.S.A. 54:51A-8* and its county board counterpart, *N.J.S.A. 54:3.26*, each provide that a judgment reducing an assessment shall be binding upon the municipal assessor and the taxing district "except

as to changes in the value of the property occurring after the assessment date."

Cumberland Arms v. Burlington Tp., 10 *N.J. Tax* 255 (1988) sets forth guidelines as to the nature and extent of changes which are required to defeat application of the Act. Judge Lario held that the change in value must be the "result of either internal or external change that materialized subsequent to the assessment date of the base year" and the change must have "substantially and meaningfully increased the property's value." 10 *N.J. Tax* at p. 263.

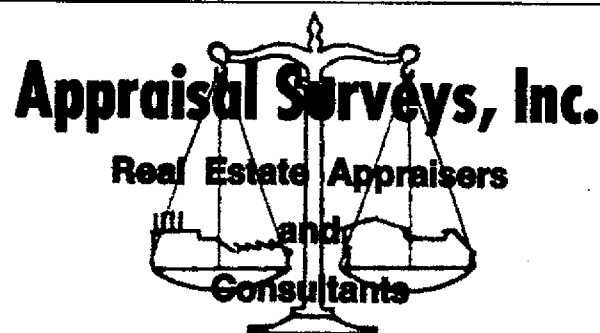
Thus, a change in zoning, a change in highest and best use (see: *Union Mineral and Alloys v. Kearny* 11 *N.J. Tax* 280 (1990)) or physical changes to a property may indicate a change in value sufficient to defeat the freeze.

However, in *2nd Roc Associates v. Morristown*, 11 *N.J. Tax* 45 (1990), Freeze Act relief was granted despite the fact that "during this period the health club and theaters were completed and opened for business and the shell of the office building and tenant improvements on some floors were completed." (At p. 52). These proofs, the Court held, while certainly evidence of substantial physical change, were not necessarily evidence of a change in value. Absent appraisal evidence which establishes the

value of the property as of the base year assessment date and the corresponding values as of the Freeze Act assessment dates, there is inadequate proof to demonstrate *change* in value. The Court emphasized the fact that the base year assessment may not be used for purposes of comparison, since an assessment does not necessarily equate to value.

This decision demonstrates just how stringent the burden of proof is for a municipality attempting to defend against the Freeze Act on the ground of change in value. Even if the property is substantially improved, the taxing district must provide appraisal evidence of the value as of the Freeze Act assessment dates and the base year assessment date.

Edward G. Rosenblum



- 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

Introducing
AppraisalVision[®]
A Giant Step Forward
In Appraisal Technology.

The next generation
of appraisal software will
be available this fall
from MMC.



19 Alpha Road
Chelmsford, MA 01824
508-250-1100 • 1-800-752-0143
FAX #(508) 256-8111

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**

SENATE, No. 3368

AN ACT concerning certain real property taxes, amending P.L.1975, c.217 and supplementing chapter 55D of Title 40 of the Revised Statutes.

STATEMENT

The provisions of this bill address the concerns of municipal officials faced with the effects of increasing property tax delinquencies on local budgets and local tax rates.

This bill permits the enforcing agency under the provisions of the "State Uniform Construction Code Act," P.L.1975, c.215 (C.52:27D-119 et seq.), as a condition for approval of an application for a construction permit or for the issuance of a certificate of occupancy, to require that the owner of a property for which a construction permit or certificate of occupancy is sought pay any delinquent property taxes or assessments on the property for which the construction permit or certificate of occupancy is sought, or on any other property located within the municipality which is owned by that person. The bill provides that the enforcing agency may also provide for the revocation or suspension of a construction permit when the owner is delinquent in the payment of real property taxes or assessments on the property, or on any other property located within the municipality which is owned by that person. Upon payment of the delinquent taxes or assessments, the construction permit would be restored.

This bill also permits the governing body of a municipality to require, by ordinance, as a condition for approval of an application for development under the "Municipal Land Use Law," P.L.1975, c.291 (C.40:55D-1 et seq.), that a developer pay any delinquent property taxes or assessments on the property for which the approval is sought, or on any other property located within the municipality which is owned by the developer of the property. The bill would also permit the revocation or suspension of an approval of an application for development pending payment of the delinquency.

"Developer" is defined in N.J.S.A.40:55D-4 as "the legal or beneficial owner or owners of a lot or of any land proposed to be included in a proposed development, including the holder of an option or contract to purchase, or other person having an enforceable proprietary interest in such land."

Currently, many municipalities are owed substantial amounts of delinquent property taxes, especially by developers of large property developments, creating budgetary hardships for these municipalities. The requirements of this bill would assist municipalities in the collection of delinquent property taxes and alleviate the attendant budget constraints which result in higher property tax obligations for all local residents.

This bill is intended to clarify and supplement, but in no way limit, the provisions of N.J.S.A.40:52-1.2.

ASSEMBLY CONCURRENT RESOLUTION No. 146

STATEMENT

This concurrent resolution proposes an amendment to Article VIII, section I, paragraph 1 of the State Constitution to permit the Legislature to enact laws allowing municipalities to provide lower real property assessments on land if the land is dedicated, for a specific period of time, to conservation or public recreation uses. The land would be assessed at its value either as conservation or public recreation land, as appropriate. This lower assessment would result in a lower payment of property taxes for this land. To be eligible, the land must be at least 5 acres in area. If the land is subsequently used for a purpose other than for conservation or public recreation, during the specified time period a rollback tax equalling the amount of tax payments saved would be assessed against the landowner. The rollback tax would be assessed for the year of conversion of use and for not more than the preceding two years.

NOMINATIONS

Please be advised that the following people are on the Nominating Committee: Chairperson, Robert W. Pastor; Member-at-Large, Douglas Stewart; Alternate, Donald Rowe; Lewis Mason; Dorothy Kreitz; Bernard Marx; Christine Wahl; Harold Lieberskind; Edward Kerwin; Barnard Hobbs.

The offices to be filled are: Secretary and three (3) Vice Presidents. The Secretary must be a regular member in good standing in his/her County. Each Vice President must be a regular member in good standing from the Tri-County that he/she will represent. **ALL CANDIDATES MUST BE REGULAR MEMBERS IN GOOD STANDING OF THE AMANJ. and ALL CANDIDATES MUST FILE A RESUME.**

Following is a list of the persons presently holding the offices to be filled, and whether or not they are eligible to run for another term:

SECRETARY-Vicky Mickiewicz, Island Heights, Dover Twp.-Ocean-Yes

BURLINGTON, MONMOUTH, OCEAN-Bernard Marx, Colts Neck, Fair Haven, Little Silver, Shrewsbury-Monmouth-No

ESSEX, MORRIS, UNION-Carmen Mistichelli, Roselle-Union-Yes

MERCER, MIDDLESEX, SOMERSET-Paul Raffiani, Edison-Middlesex-Yes

Resumes should be sent to: Robert W. Pastor, Chairperson, P.O. Box 113, Layton, NJ 07851; with a copy to: Vicky Mickiewicz, Secretary, P.O. Box 123, Toms River, NJ 08754.

ARTICLE IV—OFFICERS

Section 3—Nominating Committee

D. Prospective Candidate Responsibility

1. "A prospective candidate desiring to be considered by the Nominating Committee shall file a resume of his background, affiliations, and experience, both related and unrelated to the assessing profession. Said resume shall specifically state each assessing district and County represented by the prospective candidate and any position currently held in the AMANJ.
2. On or before June 1, said resume shall be filed with the Chairperson of the Nominating Committee with a copy to AMANJ Secretary."

E. Nomination By Petition

1. "Any prospective candidate not selected by the Nominating Committee may seek an elected office by petition.
2. The petition shall include a resume of the

petitioner's background, affiliations, and experience, both related and unrelated to the assessing profession. Said resume shall specifically state each assessing district and County represented by the prospective candidate and any position currently held in the AMANJ.

3. A petition for an elected office of the AMANJ, other than a Tri-County Vice-President, shall be signed by not less than fifty (50) members in good standing.
4. A petition for the office of Tri-County Vice-President shall only be filed by a member of that specific Tri-County District and shall be signed by not less than twenty (20) members in good standing from that specific Tri-County District.
5. On or before September 1, said petition shall be filed with the Chairperson of the Nominating Committee with a copy to the AMANJ Secretary.
6. A petitioner may file for only one (1) office; however, there may be more than one (1) petitioner for the same office.
7. Before consideration for placement on the ballot, the Secretary and Treasurer shall verify the authenticity of the Petition."

ARTICLE II—REVENUES

Section 2—Annual Membership Dues

- D. "Annual membership dues not paid by September 1 shall result in the suspension of the rights and privileges of the delinquent member, including the right to vote in elections."

There are transplants today for almost every organ of the body but intestinal fortitude.

One must never forget when misfortunes come that it is quite possible they are saving one from something much worse.

ASSEMBLY, No. 4339

AN ACT concerning the exemption of certain disabled veterans from taxation and amending P.L. 1948, c.259.

STATEMENT

The purpose of this bill is to extend the veterans' property tax exemption for veterans with certain service-connected disabilities to veterans living in or owning any unit of cooperative property, as defined in "The Cooperative Recording Act of New Jersey," P.L. 1987, c.381 (C.46:8D-1 et seq.).



CERTIFIED VALUATIONS, INC.

Municipal Revaluations and Consulting

Real Estate Appraisals

CHARLES J. FEMMINELLA, JR., CTA, SPA
PRESIDENT

PLAZA 447, SUITE SIX, ROUTE 10, RANDOLPH, NJ 07869
Phone: (201) 361-2700

PAUL G. PARSONS, CTA
Executive Vice President

ASSEMBLY, No. 4311

AN ACT concerning property tax bills and amending R.S.54:4-55 and R.S.54:4-65.

STATEMENT

This bill requires municipalities to include in the mailing of individual tax bills a statement indicating the annual aggregate property tax change in amount and per \$100 of taxable value used for county, school, municipal and appropriate special district taxes, and, if further appropriate, State property taxes.

Further, the bill requires that any statement prepared for inclusion with individual tax bills contain a clear description of the governing body, board of other entity responsible for adopting the budget through which the taxes were changed. In addition, in the case of a school district, the statement shall clearly describe the respective roles of the appropriate board of education, board of school estimate, municipal governing body, the voters in a school election, and the State Commissioner of Education, in determining the final tax requirements certified to the county board of taxation.

SENATE, No. 3344

AN ACT concerning the gross income tax and property taxes paid on homesteads, amending N.J.S.54A:1-2 and P.L.1981, c.239, supplementing chapter 4 of Title 54A of the New Jersey Statutes and repealing sections 1 through 10 of P.L.1990, c.61 (C.54:4-8.57 et. seq.).

STATEMENT

This bill repeals the provisions of the "Homestead Property Tax Rebate Act of 1990" and converts that separately paid rebate system into a gross income tax credit for property taxes paid and rent attributable to property taxes paid. The credit is to be claimed against a taxpayer's gross income tax refund. Those residents that are not required to file a gross income tax return will be able to obtain an identical refundable homestead property tax credit.

ASSEMBLY, No. 4370

AN ACT concerning payment of tax prior to tax appeal filing and amending R.S.54:3-27.

STATEMENT

This bill requires a taxpayer to pay the first three quarters of taxes due for the current year as a prerequisite to filing a tax appeal.

The courts have held that current law does not establish payment of the first three quarters of property taxes as a jurisdictional requirement for filing a property tax appeal. As a result, municipalities must proceed on the assumption that the appeal will nevertheless be heard, thereby incurring all of the costs associated with defending an assessment such as legal fees and independent appraisers.

This bill will remedy the problem of causing the expenditure of municipal funds to defend an assessment being appealed despite the fact that property taxes remain unpaid.

ASSEMBLY, No. 3935

STATEMENT

At present, the law allows a complete exemption from property taxes assessed against the legal residence of a war veteran suffering from a service-connected disability due to certain types of paralysis, blindness, or multiple amputations or from other service-connected disabilities which are declared by the federal Veterans Administration to constitute a total or 100% permanent disability. The exemption may also be claimed by the surviving spouse of a member of the armed forces who died in active service in time of war. However, existing law does not allow these individuals an exemption from their share of the property taxes if they own their home in conjunction with others. The bill seeks to correct this inequity by allowing such disabled war veterans, surviving spouses of such veterans and surviving spouses of members of the armed forces who died in active service in time of war who hold title to their residence together with others to claim an exemption from property taxes in the amount of their proportionate share of the taxes assessed against the property.

Association of Municipal Assessors of New Jersey

NEW JERSEY ASSESSORS BULLETIN

P.O. Box 187, New Brunswick, NJ 08903—(908) 249-5233

Quarterly Publication

OFFICERS

President Victor A. Hartsfield, Sr.
Vice Presidents..... Bernard Marx, Paul Raffiani,
Carmen Mistichelli, Frank Bucino,
Kathi Meale, Christine Wahl,
Larah Houser-Jankord.
Secretary Vicky Mickiewicz
Treasurer William Nikitich
Sergeant-at-Arms Brian Vigue
President Elect Joseph Gallagher

EDITORIAL BOARD

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

SENATE, No. 3281

AN ACT concerning tax exemption of public housing project property and amending chapter 14A of Title 55 of the Revised Statutes.

STATEMENT

The United States Department of Housing and Urban Development has recently provided an opportunity for tenants of public housing to become owners of the housing projects in which they reside, through the formation of resident management corporations, established by the tenants, which may qualify to acquire title to the property from the local public housing authority. The federal law provides for continuing assistance to such projects during the transition from public to private ownership, and protects the interests of those tenants unwilling or unable to acquire an ownership interest.

Such ownership becomes feasible only if the exemption from local property taxes—with provision for payment in lieu of taxes by agreement with the local municipal government—can be extended to the resident management during the transition period. Current State law permits such exemption, with in-lieu payments, while the property is “under exclusive control and jurisdiction of a public body (i.e., the local housing authority).

This bill would allow a continuation of tax exemption to the resident management for a period not exceeding 15 years after the transfer of the title, so long as (1) the federal authorities determine that such exemption is needed to assure financial feasibility of the transition, (2) federal assistance to the project continues under resident management, and (3) the local municipal government approves of the arrangement and of the provisions for in lieu of tax payments.

ASSEMBLY, No. 4478

AN ACT concerning tax exemption of public housing project property and amending chapter 14A of Title 55 of the Revised Statutes.

STATEMENT

The United States Department of Housing and Urban Development has recently provided an opportunity for tenants of public housing to become owners of the housing projects in which they reside, through the formation of resident management corporations, established by the tenants, which may qualify to acquire title to the property from the local public housing authority. The federal law provides for continuing assistance to such projects during the transition from public to private ownership, and protects the interests of those tenants unwilling or unable to acquire an ownership interest.

Such ownership becomes feasible only if the exemption from local property taxes—with provision for payment in lieu of taxes by agreement with the local municipal government—can be extended to the resident management during the transition period. Current State law permits such exemption, with in-lieu payments, while the property is “under exclusive control and jurisdiction of a public body (i.e., the local housing authority).

This bill would allow a continuation of tax exemption to the resident management for a period not exceeding 15 years after the transfer of title, so long as (1) the federal authorities determine that such exemption is needed to assure financial feasibility of the transition, (2) federal assistance to the project continues under resident management, and (3) the local municipal government approves of the arrangement and of the provisions for in lieu of tax payments.

SENATE, No. 3230

AN ACT concerning State aid for public schools
and revising parts of the statutory law.

STATEMENT

This floor substitute makes a number of changes in the Quality Education Act of 1990. Some of the changes are permanent and some are designed to modify the law during the period of transition between current funding and the new system.

Among the permanent changes are the elimination of the necessity for districts to tax at their fair share in order to receive full State foundation aid; the elimination of the provision that required school districts to increase their tax levies over a five year period; and, a modification of the amount of excess surplus which will be deducted from a district's foundation aid from 15% to 7.5% and requires districts to develop a surplus expenditure plan. Also, the substitute provides for direct funding of county special services school districts and county vocational school districts, changes the tuition formula for those districts, and provides for a categorical aid factor for county vocational schools and debt service aid for county special services school districts. The substitute also reduces the maximum increase in a district's budget which will be eligible for aid from 130% over the prior year to 120%. Further, the substitute changes the "local fair share" defini-

tion for special needs school districts to the State average equalized school tax rate for current expense and capital outlay. It also provides that for the 1991-92 through 1994-95 school years, the minimum school tax levy for special needs districts shall equal the districts fair share or the school tax levy for the 1990-91 school year.

The substitute also establishes a new limitation on the growth of a district's net budget, which is all State aid under the QEA (exclusive of pension aid) and local levies. For two years, the "cap" percentage would range from 7.5% to 9%. The cap for special needs districts will be determined by an equity spending cap which may be in excess of the basic cap. The substitute also provides for voter approval in type II school districts for expenditures in excess of the cap.

In addition, the substitute establishes a State school aid inflator the value of which, for the 1991-92 school year is \$4.250 billion and which will increase annually by the sum of the PCI and 1.01, and provides that maximum State school aid will equal 80% of the inflator. However, beginning in the 1993-94 school year, the Governor may increase maximum State school aid up to the value of the State school aid inflator.

For the 1991-92 school year, the substitute reduces maximum State school aid to \$4.1 billion

(Cont. on next page)



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 cont.

and adjusts the State foundation amount to \$6640 and the facilities factor to \$107.

In terms of provisions which are transitional in nature, the substitute provides for the State assumption of Teachers' Pension and Social Security costs for a two year period, and makes those adjustments necessary to accomplish this.

The substitute also adjusts the at-risk cost factors, and further provides that for the 1991-92 and 1992-93 school years, no school district will receive less for at-risk pupils than the district received for compensatory education pupils in the current year.

ASSEMBLY, No. 4580

AN ACT concerning a tax on hotel occupancy and amending P.L.1981, c.77.

STATEMENT

This bill would require cities of the first class and cities of the second class in which a terminal of an international airport is located to implement the administration of a hotel use or occupancy tax in different ways.

Cities of the first class, after adopting an ordinance imposing the tax, would be required to implement its administration in the manner required by

Association of Municipal Assessors of New Jersey
NEW JERSEY ASSESSORS BULLETIN
P.O. Box 187, New Brunswick, NJ 08903

IN MEMORIAM

Memorial services were held April 20 for J.D. Longfield, retired assessor for the township of Springfield.

He had been the assessor for the township for 13 years, retiring in 1978.

He was a former vice president of the AMANJ, past president of the Union County Assessors Association and also served as secretary and president of the Union County Board of Taxation.

the recently enacted P.L.1991, c.23 (C:40:48E-5). This section requires a hotel owner to pay quarterly either the real property tax due or the hotel use or occupancy tax, whichever is greater. At the end of the calendar year, the total hotel use or occupancy tax is adjusted so that, on an annual basis, hotel owners will pay an amount equal to at least their property tax.

Under this bill, cities of the second class in which a terminal of an international airport is located will be required, after adopting an ordinance imposing the tax, to collect in full both property tax and the 6% hotel use or occupancy tax.

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

13
44-A
F01
07739
MARX BERNARD J ASSESSOR
BORO HALL 480 PROSPECT AV
LITTLE SILVER N J