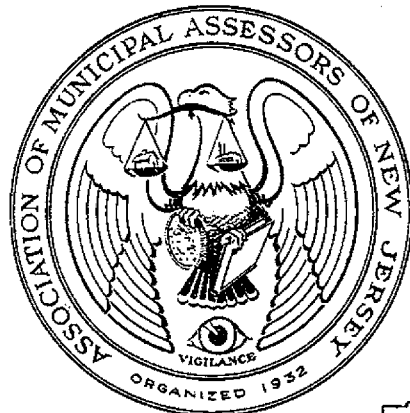
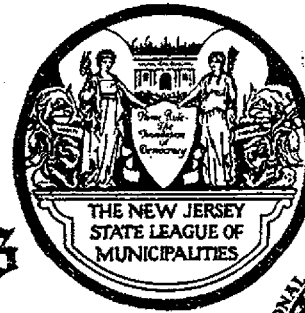


New Jersey



Assessors

Bulletin



MAR 22 1965

AFFILIATES



VOL. 4 No. 1

Association of Municipal Assessors of New Jersey

MARCH, 1965

Farmland Assessment Amendment

By MARRIOTT G. HAINES, SMA, CAE,
Supervisor of Assessments, City of Vineland

* Delivered before the General Session on Taxation at the
League of Municipalities Conference in Atlantic City.
NEW JERSEY MUNICIPALITIES, JANUARY 1965

The subject that I have been requested to discuss with you today, deals with a constitutional amendment approved by the electorate of this State at the general election held in November, 1963. This amendment is commonly referred to as the "Farmland Assessment Amendment" and was implemented by legislation enacted May 11, when the "Farmland Assessment Act of 1964", known as Chapter 48, Laws of 1964, became effective.

Chapter 51, Laws of 1960, as originally approved, provided for the assessment of farmland on a basis of its agriculture use. However, the second Switz case decision, declared that section of this now famous tax law unconstitutional and because of a severance clause, only the farmland section was invalidated. As a result of this decision, under the provision of our 1947 Constitution, farmland would continue to be assessed at its true value rather than its farm use value.

Those persons and groups interested in the plight of our farmers and the acres of farmland being taken out of such use annually, immediately started a campaign to amend our State constitution to overcome this court decision. This action resulted in the amendment and implementing legislation which will become effective for the tax year 1965. Under this legislation, the Director of the Division of Taxation was authorized to promulgate rules and regulations and to prescribe such forms as deemed necessary to implement this new law. An attempt will be made to explain these latter items as interpreted by an Assessor who was raised on a farm in Burlington County and has 600 farms to assess in the City of Vineland.

Eligibility For Assessment

In order for an Assessor to apply this "Farmland Assessment Act" to any land in agricultural or horticultural use, an application must be filed with him, by the owner thereof on or before October 1, each year. He need not be the actual operator of the farm. This application must be made on the form prescribed by the Director of the Division of Taxation which was available in each Assessor's office



MARRIOTT G. HAINES

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Governor's Address To Municipal Assessors Atlantic City, Nov. 18, 1964

I am delighted to have the opportunity to visit with you today and to share a few of my thoughts on your work and its importance to the healthy growth of a better New Jersey.

These have been hectic times for New Jersey's municipal assessors, and I would like to personally commend you for your dedication and determination to do a good job despite the many obstacles with which you have been confronted. For my part, I have done my best to minimize these obstacles; but I think that we can all agree that, under the circumstances, there is only so much any of us can do. At best, the situation concerning Chapter 51 is difficult and it was for this reason that I established a Committee on Local Property Taxation, to which I was pleased to appoint your distinguished President, George Linger. With the aid of this Committee, I hope to keep close and continuous scrutiny of the impact of Chapter 51, with a view to taking whatever corrective measures that are needed.

I would hope that the people of New Jersey appreciate the service which is rendered to them by their local assessors. Surely, it should be increasingly apparent to our property owners that the assessing function is an integral part of our fiscal system. In turn, I know that your organization is well aware of the high responsibility the assessor carries with him as he goes about his vital business of rendering what I would call quasi-judicial judgments which so affect the life of the community. In a very real sense the integrity and stability of our taxing system rests upon the competence and the fair judgment of each local assessor.

When a man is charged with the responsibility of assessing the property of his neighbors, so to speak, above all he must be fair. And that simple objective "fair" means objectivity, knowledge, stability and sound judgment.

In order to meet the increasing duties and responsibilities placed upon the assessor, your Association is to be commended for its efforts to raise the position of assessor to a professional status. I need not tell you what such a development requires by way of training and experience. For many years this development has been under way and — most recently — in conjunction with the Bureau of Government Research at Rutgers and the State's Division of Taxation, your Association has explored in great detail the ways and means of improving the assessor's position. Let me say that I fully sympathize with the efforts to improve the status of the assessor and to enhance the quality of his service to the community.

As the status of the assessor is developed through programs of training and certification, it would seem that eventually some form of tenure should be introduced so as to provide the security so essential to a profession. This would also have the effect of removing assessors as far as possible

from the reaches of pressures which can interfere with the proper performance of duty.

Essentially, all that I have said can be expressed simply — men charged with the heavy responsibility of the assessor deserve to be treated in a manner befitting that responsibility.

It is my feeling that out of the recent turmoil in which the assessors have found themselves there will be developed a greater appreciation of their role in the life of the State. I want you to know that I consider myself a friend of the assessor and that I stand ready to meet with your representatives if I can be of any assistance in helping you to better perform the indispensable service which you provide to the citizens of New Jersey.

Executive Committee Meeting

The following resolutions and motions were adopted at the Executive Committee meeting held at the Riverview Hotel, Toms River, New Jersey, February 18, 1965.

* * * *

It was regularly moved, seconded and approved that the Executive Committee of the Association of Municipal Assessors of New Jersey recommends approval of the training courses as presented in "The Report of a Committee to Study the Training of Tax Assessors of New Jersey," dated October 1964, and that a copy of this resolution be mailed to Dr. Ernest Reock — Rutgers Bureau of Government Research.

* * * *

It was moved, seconded and approved that the question of the President's expense allowance or salary be referred to the Budget Committee for study, and that they present their recommendations to the Executive Committee at the next regular meeting.

* * * *

A motion proposing that if a County Tax Board elects to hold night tax appeal hearings that they should be limited to not more than three week nights (Monday thru Friday), and termination should be requested to be not later than 11:00 P.M. This motion was seconded and approved and was directed to County Tax Board Members and Secretaries.

FORMS

BINDERS

INDEXES

FOR THE ASSESSOR

Municipal Service Bureau

373 North Avenue, Dunellen, N. J. 08812

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DAN TABLER

1965 Northeast Conference Set For Halifax, Nova Scotia

H. S. MacGlashen, of Nova Scotia Department of Municipal Affairs, is General Chairman for the Northeastern Conference on Assessment Administration, to be held in Halifax, Nova Scotia June 6 through June 9. N. J. Assessors, recalling the excellent Conference last May in Asbury Park, will be looking forward to going "down east" this year.

An excellent program has been arranged by a Committee of the Board of Governors under the chairmanship of David Brown. The Nova Scotia Committee is already working actively on the social aspect of the conference and promise delegates a delightful holiday in the Province known as "Canada's Atlantic Playground" as well as an instructional program on assessment administration.

The working hours of the conference will close on Wednesday, June 9th at noon. In the afternoon the Committee hopes to stage a Salt Water Fishing Derby for those interested in fishing and a tour of Halifax Harbour by the Royal Canadian Navy. In the evening, Wednesday, Premier Robert L. Stanfield of Nova Scotia, will be host at dinner to Northeastern Conference delegates and delegates attending the annual Canadian Association of Assessing Officers, the latter opening their session on Thursday. It will be a joint dinner for both our United States and Canadian visitors. The Committee hopes that many delegates to the Conference will take advantage of this opportunity to extend their holidays a few days and see Nova Scotia.

More details on registration, etc. will be sent to all N. J. Assessors by the State Association. Meanwhile, delegates may write to Mr. H. S. MacGlashen, Department of Municipal Affairs, Halifax, Nova Scotia for additional information.

The following is a tentative schedule for the North East Conference.

SUNDAY, JUNE 6, 1965

RECEPTION

MONDAY

10:00 A.M. - 12:00 Noon

INTRODUCTORY SPEAKER ANNOUNCEMENTS

"A New Day Dawns" Ed Wilson

1:30 P.M.

PROGRESS IN VARIOUS STATES - PANEL

C. N. DELGADO, Chairman

Maine	Mr. Johnson	Vermont	Lary
New Hampshire		Mass.	Ed. Wilson
New York	St. George	Conn.	Aldro Jenks
R. I.	Ken	N. J.	Ed. Markowich
Delaware	Reed	Pa.	M. Steiger
Md.	Cy Clopper	Nova Scotia	Symons
New Bruns.	Bates	Quebec	E. Bach

MONDAY EVENING

LISTENING POST 9:00 - 10:00 P.M.

TUESDAY

9:00 A.M. - 10:00 A.M.

EVALUATION METHODS

Aldro Jenks, C.A.P.

Lloyd Koppe, Cost Approach

Improved Assessment

PUBLIC RELATIONS 10:00 - 11:00 A.M.

Marty Steiger

Kote

REVALUATIONS 11:00 - 1:00

TUESDAY P.M.

ROUND TABLES

Herb Shea

Ken Stein

RURAL LAND

Murray Clark

GAS STATIONS

Frank Birmingham

DATA PROCESSING

Norman Harvey

Stuart Downing

MOTELS-HOTELS

Margaret Jeffers

D. Mc Cabe Jr.

SHOPPING

CENTERS

Russell Wilson

URBAN LAND

Al Greene Jr.

DEPRECIATION

Kay Pardee

SPECIAL PROBLEMS

ON LAND

Kay Pardee

PUBLIC UTILITIES

Frank Heberger

Charles Ramage

APARTMENTS

(MULTIPLE)

Wilson

(Portland Maine)

PERSONAL

PROPERTIES

WEDNESDAY

9:00 - 10:00 A.M.

CERTIFICATION PROBLEMS

New Jersey

Conn.

Nova Scotia

C. N. Delgado

Kay Pardee

Hugh Mc Glashen

CORRESPONDENCE COURSE

10:00 - 11:00 A.M.

Guy Henson

AN EDUCATOR LOOKS AT

PROFESSIONALIZATION

Craig

BUSINESS MEETING 11:00 - 12:00 Noon

UNION COUNTY

The following resolution was adapted by the Association of Municipal Assessors of Union County at their meeting held on February 25, 1965.

WHEREAS, "The Report of a Committee to study the Training of Tax Assessors in New Jersey," October 1964, represents a major forward step toward the qualification of New Jersey Assessors, and

WHEREAS, the study demonstrates the care and concern of the Committee appointed by Director William Kingsley, Division of Taxation, and reflects considerable time, effort and thoughtful deliberation devoted by the Committee in preparation of the report, and

WHEREAS, the contents as summarized in the 10 recommendations are felt to be worthy of implementation at the earliest possible date, and

WHEREAS, the Division of Taxation has already taken initial steps to prepare legislative bills in the matter,

NOW THEREFORE BE IT RESOLVED: that the Association of Municipal Assessors of Union County, New Jersey does hereby enthusiastically endorse the recommendations contained in the report in principle, and the educational program as outlined in particular.

Regularly moved, seconded and approved, February 25, 1965.

GORDON A. POTT
Secretary

Tri-County Committee Report

At a meeting of the delegates of the Tri-County Groups, as designated by each group, — Presidents of County Associations — which was held October 30, 1964 at Lincroft Inn, Lincroft, N. J., the following recommendations were adopted for presentation at the Annual Meeting of the Association at Atlantic City, on November 18, 1964:

1. County and State officials should be urged to give careful consideration to assessor ability and facilities, and expense involved, in promulgating rules and regulations — i.e., Last minute directives, Legislation, Tax List revisions, etc.
2. Aim toward the education and qualification of County Tax Board and Division of Tax Appeals, urging standardization of hearing procedures, to result in tax appeal hearings and practices according to uniform rules. The testimony of all **qualified** assessors should be accorded the weight commensurate with ability, presentation, testimony, knowledge and preparation. Many assessors feel they have been "brushed off" due to apparent inability of Commissioners to interpret pertinent facts, and that decisions should be decided according to merit, not compromise.
3. The Association should pursue **voluntary** segregation of Social Security from the Public Employee's Retirement System.
4. Each County Association should be encouraged to strive for good and solid political contacts within and without of its respective County.
5. Renew efforts for maximum membership participation of all New Jersey assessors.
6. Explore the future possibility of better, more reflective State Aid (and County Tax) ratio studies, aimed toward reducing annual extreme fluctuations, possibly by extending the period from 2 to up to 5 years, and/or combining of classes.
7. Oppose the **mandatory** adoption of State-wide Electronic Data Processing, until such time as dependable costs, facts and figures are in complete detail for assessor and local

official's evaluation.

8. Explore the potential value of the Assessor's role in local government functions, such as membership on Planning Boards and Boards of Adjustment, along the line of Plainfield's Mayor Maddox article in the Bulletin. We want more like it.
9. All New Jersey assessors should consider worthwhile articles of statewide interest and submit for publication in the Bulletin, as determined to be appropriate.
10. Conduct an annual survey of salaries, office expense and equipment, work loads, staff problems, ratables and tax maps, similar to that conducted by Essex County assessors, and to a lesser extent by Union County assessors, and the L. P. T. B.
11. Job security for assessors should be pursued, with adequate compensation, and possible tenure in line with following up the worthwhile aims in this direction included in the Report on Education, Certification and Qualification by Rutgers, the L. P. T. B., and the State Association Committee.
12. Establish a Committee to study in depth, all exemptions and property tax laws in general.
13. Arrange for holding a semi-annual meeting of the Association during the June Conference at Rutgers.
14. Reprint the foregoing recommendations in

(Continued On Page 5)

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Burlington County Burlington Twp. Cinnaminson Mount Holly Palmyra Riverton	Middlesex County Edison Highland Park Milltown North Brunswick Piscataway Perth Amboy Sayreville South Plainfield Spotswood Woodbridge	Passaic County Bloomingdale Haledon Little Falls Somerset County Franklin Montgomery Rocky Hill Union County Hillside
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TRI-COUNTY REPORT

(Continued From Page 4)

the next issue of the Bulletin.

15. The continuance of these Tri-County meetings at regular intervals during the year is strongly recommended, with reports to be submitted at both the semi-annual (if adopted) meeting, and at the Annual Meeting at Atlantic City.

There have been seven meetings held in 1964, and each has expressed enthusiasm for the opportunity to discuss common problems, as well as a better understanding of the aims of the Association in furthering Assessor relations, increased assessor stature and future accomplishment in the field of assessment of property throughout New Jersey.

Respectfully submitted,
Edward P. Markowich, Chairman
Cranford Assessor

1965 Committee Appointments**MEMBERSHIP:**

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Clarence Delgado — Ridgewood
Ed. McKenna — Fairlawn
M. H. Solonyka — Bayonne

IN SERVICE TRAINING:

Chairman: Edward Markowich — Cranford
Daniel P. Kiely, Jr. — Plainfield
Marriott Haines — Vineland
Edw. McLaughlin —
Pompton Lakes

LEGISLATIVE AND LEAGUE OF MUNICIPALITIES LIAISON:

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Russell Wilson — East Orange

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Wm. Brewer — Plainfield
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CIVIL SERVICE:

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S. M. A. (5 year term)

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BUDGET:

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S. M. A.

The S.M.A. committee reports that an exam will be held Saturday, April 24th at Rutgers University, New Brunswick, N.J. in Scott Hall, Room 202. Applications for this exam must be in the hands of the Committee by March 31st. For further information and applications contact: Claire M. Coung, Borough Hall, Tenafly, N.J., 568-6100 or Clarence Delgado, Municipal Building, Ridgewood, N.J., GI 4-5500.

Association of Municipal Assessors of New Jersey

NEW JERSEY ASSESSORS BULLETIN

P. O. Box 909, Plainfield, N. J. — PL 6-3497

Quarterly Publication

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EDITORIAL COMMENT

The Progress To Professionalization

With the formation of the Society of Municipal Assessors little more than a year ago, and the recent report of the Director's Committee on Training of Tax Assessors in New Jersey, long strides have been taken toward the goal of professionalization of the Municipal Assessors in New Jersey.

The emphasis in each of these programs has been the testing of the knowledge of the candidate for the designation or certification. For the most part, the type and extent of the knowledge needed to pass the examination for S. M. A. is the product of the thinking of the leading exponents in the field. All of them qualified themselves by passing other certification examinations and by long active experience in New Jersey as Assessors.

The examination proposed in the Director's Committee report would be "administered" by the Director of the Division of Taxation. Knowing Mr. Kingsley's laudable policy of cooperation and consultation with assessors generally and the State Association in particular, it would seem reasonable to expect that, among others, the advice of Assessors would be sought in determining the scope of the exam, if not the specific questions that should be asked.

As has been said, these programs taken together are long strides toward professionalization. They are, however, but two steps in a long journey which may never be completed, unless there is general agreement on the destination.

Lest we forget, while we serve the law, the law is an instrument of the people and made for their protection. Professionalization, whatever that is interpreted to mean, cannot be attained unless it is demonstrably beneficial to those we serve as well as to ourselves.

Criticisms aimed at the assessment practice in this State by Tax Policy Commissions and others have been carefully phrased to avoid laying the blame for the deplorable conditions cited at the door of the Assessor. Inevitably, however, Asses-

sors have recognized some of their own inadequacies and taken steps to improve. The in-service training program had its inception before the Local Property Tax Bureau was organized and before Rutgers became the State University. Those with long memories will recall that the late Al Weiler was one of the first instructors and classes were held in Stevens Institute, Hoboken in 1952. The drive that gave impetus to this bootstrap effort should not now slacken.

More than those who are lately becoming engaged in our training and certification, Assessors know that training and certification in themselves do not necessarily produce good assessors. Minimum standards may separate the men from the boys but they can not guarantee the "men" will possess integrity, courage, wisdom and ethics.

These are the characteristics which define the difference between a glorified clerk and a truly

(Continued On Page Eleven)

Penalties Under Chapter 51

There is concern among Assessors with regard to the penalties invoked under Chapter 51 for failure to file PT 1 Returns. The concern is felt for small shopkeepers and offices whose tax would be so small as to make a potential penalty of \$260. unusually severe and a real hardship in many instances.

Neither concern or compassion is felt for those whose default was avoidable and arrogant, where the penalty was judged to be less than the tax would be if a return were filed.

Nonetheless, the law makes the penalties mandatory, the Attorney General has uttered an opinion clarifying it, the Director, Local Property Tax Bureau and County Boards have advised Assessors on administrative procedures, and now Assessors have little choice except to determine the amount and make the levy.

The legislature will surely be made aware of extreme hardship cases and may take steps to alleviate the situation. Meanwhile the only way to bring in the scofflaws is to levy the prescribed penalties without favor or discrimination.

"As Others Sees Us"

Know Your Assessor

By Donald G. Lockward

The article reprinted herewith appeared in the Convention Issue of the NEW JERSEY REALTOR, the official publication of the New Jersey Association of Real Estate Boards. More and more the efforts of our state organization to advance our professional standing are being recognized. Assessors should appreciate the interest and support of organizations in the real estate field. This article, headed "From The Tax Committee," indicates that Mr. Lockward and his associates have a perceptive view of the Assessors' duties and problems. If a local realtor should want to follow the suggestion "Know Your Assessor," meet him halfway. He may be able to help with local problems and the exchange of information on property value will not do either of you any harm.

No man in municipal office is of greater local importance than the Assessor. Literally, a stroke of his pen determines each individual tax bill, and on his judgment rests the entire financial structure of the community. Theoretically, his is an independent office answerable to the County Tax Board, but, practically, he is tied to the local officials. In varying degree, he is an employee of the municipality and must coordinate his decisions to the overall plan for its growth and development. Surely, his lot is not a bed of roses.

Basically, his assignment is to apportion the tax burden equally on all taxpayers, in accordance with the amount of taxable property held by each owner. To do this he must be able to determine value. Time after time he faces the dilemma of offending either the taxpayer or the governing body in making his determination. He must combine the knowledge of an appraiser, an accountant, an engineer, a municipal lawyer, a public relations counselor and an administrator. He either stands for office at public election or depends on an appointment from the Mayor or governing body. Too often, the Assessor is a part time official, without tenure, and forced to run his department on a tight budget. It is no

wonder that the average Assessor is thought of as an insensitive, and sometimes a secretive if not actually testy misfit.

It is always darkest before the dawn and daylight even now is breaking through. Steps are underway to provide some of the assistance the Assessor so badly needs. A committee headed by Dr. Ernest Reock, Jr. of Rutgers University, has just made a report of their findings to Director William Kingsley of the Department of Taxation of the State of New Jersey, based upon a year of intensive study of the assessing problem. Ten suggested changes are incorporated in the report, which include: expanded study courses culminating in certification, appointment instead of election, and, tenure for qualified Assessors upon reappointment. These changes are all to the good but will require substantial grass roots support before enabling legislation can be passed.

As Realtors, we have a large stake in equitable tax assessments. It is to our advantage to press for an improved quality in assessment. Do you personally know the Assessor in your town? Is he doing a good job? If not, perhaps it's not his fault; but do you know the real reason? One man alone can't get far bucking an organization; but that same man, with you and your friends backing him, might accomplish much. Many incumbents are well qualified and they will be happy to discuss mutual problems with you. Get to know your Assessor — he is the most important official in town — especially for Realtors!



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FARMLAND ASSESSMENT AMENDMENT

(Continued From Page 1)

throughout the State in time to meet the deadline. It is known as Form FA-1, must be filed annually on or before October 1 of the pretax year and signed by the owner of the land.

To be eligible for assessment as farmland, such land must have been actively devoted to agricultural or horticultural use for at least two successive years immediately preceding the tax year such assessment is requested. In other words, in order to be eligible for such consideration for 1965, the land under consideration must have been actively devoted to farm use during 1963 and 1964.

The area of such land must not be less than five acres. In computing this area, the land under farm buildings, such as barns, silos, poultry coops, greenhouses and like structures, lakes, dams, streams, ponds and irrigation facilities shall be included. However, the land occupied by the farmhouse, lawn, garden, swimming pool, tennis court, or like purpose must be excluded in determining the total area. This will confront some assessors with a problem. Many farmers utilize a part of the farmhouse for their farm operations, particularly a poultry farmer who has his egg room in the basement of his dwelling. Most of these farms have small areas. If they fall in the category of about five acres and the land is eliminated as stated above, then they would be ineligible for consideration, notwithstanding the fact that some of the land eliminated could be construed as being used for agricultural purposes.

If a farmer owns separate parcels of farmland that are contiguous in a single ownership and located in the same taxing district, having an aggregate area of at least five acres, even though it might be separated by a public right of way, the minimum area requirement will be deemed to have been met. Just to carry the area requirements one step further, it can be stated that where contiguous farmland in one ownership is located in more than one taxing district, compliance with the five acre minimum will be determined on the basis of the total area and not the taxing district in which it is located.

In situations where the farmer owns two or more parcels of land in the same taxing district that are not contiguous, a separate application is required for each parcel. Furthermore, the area of such separate parcels cannot be totaled to meet the five acre eligibility requirement.

The due date for filing with the assessor on the prescribed application form is on or before October 1 of the pretax year. In other words, to be eligible for consideration for the tax year 1965, the application should have been filed with the assessor of the taxing district in which the farmland is located on or before October 1, 1964. It must be renewed annually.

Once an application has been filed with the assessor it cannot be withdrawn after October 1 of the pretax year.

The application must state that the land will continue to be actively devoted to agricultural use from the date of the application to the end of the ensuing tax year. There will be many instances when this condition will bear close scrutiny by the assessors, which leads to the next point.

Each assessor may at any time require the submission of such additional proof as he shall deem necessary to establish the right of the applicant to a farmland assessment. This proof can cover ownership, area, use, gross sales of farm products or any other information to substantiate the owner's application. The owner is also required to inform the assessor immediately whenever any land which is being assessed under this act has had a change in use.

Assessor's Evaluation

How shall the assessor value this land? It must be valued according to its use as farmland, if the owner has applied for this preferential consideration. Its present true value, either as a potential commercial or industrial site or possible location for a development shall not be used.

While the assessor may consider various sources of information to aid him in determining its agricultural value such as soil survey data at Rutgers, the National Cooperative Soil Survey and recommendations of state wide committees as authorized by this act, the final determination if its value is made by the assessor himself. In doing this, he should use his personal knowledge, judgment and experience in appraising farmland.

The land on which the farmhouse, lawns, gardens, swimming pools or tennis courts are located is to be appraised at its true value, the same as all other such land in the

taxing district. Farmland values are not to be applied to these areas as they are deemed more valuable.

All structures on both farmland and excluded areas mentioned above are to be appraised and assessed by the same standards, methods and procedures as all other taxable buildings in the taxing district.

We are hearing a new tax term in connection with both this act and Chapter 51. I am referring to "Taxable Value." It is defined in the regulations as follows: "The taxable or assessed value of land qualifying for farmland assessment under the act shall be such percentage of its value in agricultural or horticultural use, determined under the act, as corresponds to the percentage of true value established by the county Board of Taxation for the assessment of real property generally." In other words, if the County Board has established a percentage level of 50% and the farmland to be assessed is valued at \$5,000, its taxable value is \$2,500.

Land that does not qualify as farmland shall be appraised and assessed at its true value the same as all other real property in the taxing district.

An Example

Just how are we to record all these taxable values on the tax list? I have prepared an example (see example I) which you may follow to illustrate my point. Let us assume that this is a 115 acre farm, located in a county that has adopted a 50% ratio. The dwelling and lawn area, including a swimming pool occupy 1 acre. This farm has been appraised in accordance with the farmland act as follows.

Land 1 acre homesite \$2,000. Class I land 50 acres @ \$500.= \$25,000; Class II land 35 acres @ \$350.= \$12,250; Class III land 25 acres @ \$125.= \$3,125. Class IV land 4 acres @ \$10.= \$40.; Total appraised value of land \$42,415. The total appraised value of all buildings is \$30,500. Total farm appraisal \$72,915.00.

Under the farmland assessment act this farm will be assessed as follows: Land 1 acre Homesite \$1,000.; Improvements \$15,250. Net taxable value \$16,250. Land 114 acres \$20,200. You will note that this farm assessment now takes up two lines on the tax list under this act, whereas, it formerly was shown only on one line. This farm owner will now receive two tax bills where he formerly received one. You probably are asking, why the changes? The answer is, the statute and regulations require it in order for the assessor to comply with this new law and also to compute the roll-back which will be explained a little later. As you can readily see, this means additional work for your assessor and collector, plus some added expense to the municipality.

You have heard me mention that in order for farmland to receive this special consideration it must be actively devoted to agricultural or horticultural use. Just what does this mean? Land shall be deemed to be actively devoted to agricultural or horticultural use, when the gross sales of products produced thereon together with any payments received under a soil conservation program have averaged at least \$500. per year during the two year period immediately preceding the tax year in issue, or there is clear evidence of anticipated yearly gross sales of \$500. within a reasonable period of time. In other words, this land produces crops for market, (either retail or wholesale); cover crops are grown on a rotation program; pastures are grazed by animals

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whose products are marketed at retail or wholesale; requirements are met for payments under the soil bank program or an equivalent or devoted to woodland appurtenant to farmland and reasonably required to support it in such use.

In some instances the applicant may be required to submit proof that his land will produce products averaging annual sales of \$500., for example; if he owns a young orchard, a new asparagus bed or a new berry patch.

(Farmland Assessment Examples)

Example I

Example of a 115 acre farm located in a county that has adopted a 50% assessment ratio.

It has been appraised and assessed in accordance with the Farmland Assessment Amendment as follows:

Homesite	Land	1 Acre	\$2,000
Class I	Farmland	50 Acres @ \$500	25,000
Class II	Farmland	35 Acres @ 350	12,250
Class III	Farmland	25 Acres @ 125	3,125
Class IV	Farmland	4 Acres @ 10	40

Total appraised value of land \$42,415
Appraised value of all improvements 30,500

Total appraised value of Farm \$72,915
It would appear on the 1965 Tax List as follows:

Taxable Values			
Line No.	Acres	Land	Improvements
1. (Homesite)	1	1000	15,250
2. (Farmland)	114	20200	20,200

Example II

This farm, that had been assessed under the Farmland Assessment Act for 1965, 1966 and 1967, had a change in use in 1967. The Assessor, in carrying out the four steps in computing the roll-back taxes, determined that this land is actually worth \$2,000 per acre.

The computation is as follows:

Step I	114 Acres @ \$2,000	\$228,000
Step II	\$228,000 x 50% Assessment Ratio	
	gives us a Taxable Value of	\$114,000
Step III	Subtract original taxable value	20,200
	Amount subject to Roll-back taxes	
	for years 1965, 1966 and 1967	\$ 93,800

The General Tax Rate for the municipality in which this farm is located, is as follows:

1965	\$5.00
1966	5.20
1967	5.10

Step IV	The Roll-back taxes are computed as follows:	
1965	\$93,800 x \$5.00	\$ 4,690.00
1966	93,800 x 5.20	4,877.60
1967	93,800 x 5.10	4,783.80

Total Roll-back taxes due on 114 acres for 1965, 1966 and 1967 \$14,351.40

"Roll-Back Taxes"

We have another function in this farmland act that is new to us in the assessment administration here in New Jersey. I am referring to what is called "roll-back taxes." It can be defined as the difference between the taxes being levied on farmland under this act and those levied on similar land at its true value. It is an additional tax levied when qualified land has a change in use and hereafter will be referred to as roll-back taxes.

The liability for roll-back taxes is created at the time a change in use of the farmland assessed under this act occurs, regardless of ownership.

Land qualified under this act can change ownership without losing its qualifications. Its use is what we must concern ourselves with at all times.

Just how does the assessor compute these roll-back taxes? There are four steps that must be taken. First, the assessor has to ascertain the full and fair value of such land under the same standard of value as all land in the taxing district. Second, he must determine the taxable value

by multiplying such value by the assessment ratio established by the County Board of Taxation. Third, he must subtract the amount originally assessed under this act from the amount determined by the second step. The fourth step is to multiply the net figure just computed by the general tax rate of the taxing district applicable for each of the tax years involved. This shall be the year in which the change in use takes place and in such of the two tax years immediately preceding in which the land was assessed under this act. For example, land has qualified and is assessed under this act for 1965 and 1966 and 1967. A change in use occurs in 1967. This land would be subject to roll-back taxes for 1965, 1966, and 1967.

Let's take another example (see example II). Land that was assessed at its true value in 1965 qualifies and is assessed under this act for 1966 and 1967. A change in use occurs in 1967. This land would be subject to roll-back taxes for 1966 and 1967, but not 1965.

Your attention is again directed to the example previously used. Let us assume that a change in use occurred in 1967. The assessor in carrying out the first step has ascertained that this farm is worth \$2,000 per acre. 114 acres @ \$2,000. would give us a total value of \$228,000.

His next step would be to multiply this value by the 50% ratio. This would give us a taxable value of \$114,000. Next he would subtract the amount of the original assessment, under this act, of \$20,200 from the taxable value of \$114,000. This leaves \$93,800 which is the amount that would be subject to roll-back taxes for the years 1965, 1966 and 1967.

Assuming that the general tax rate for these years is: 1965—\$5.00; 1966—\$5.20 and 1967—\$5.10, the roll-back taxes for each of these years on the 114 acres would be computed as follows:

Multiplying the \$93,800 by the 1965 general tax rate of \$5.00 would give us \$4,690 as the amount of roll-back taxes due for the year 1965. The 1966 rate of \$5.20 would yield \$4,877.60 for that year and 1967, with a rate of \$5.10

(Continued On Page 11)

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To County Organizations

It is still urgently requested by Lloyd Koppe, Secretary-Treasurer of the State Association that the payment of state dues be handled by the County Organizations. It is easily understood that the receipt of one check from each county with an attached list of members covered is much easier to process than the receipt of some 600 individual checks or vouchers. This not only facilitates the bookkeeping but also insures state membership and saves on postage and handling both ways. This can be done either by collecting the state dues at county meetings and submitting it as one sum or by actually consolidating it with County Association dues. This latter method

would be preferable.

The Secretary-Treasurer also requests the secretary of each County Organization to send him the names and addresses of all newly elected officers in their organization. All county Presidents or their elected alternates are members of the State Executive Committee and also are members of a Tri-County group. Names and addresses of these officers are necessary for the notification of meetings and other important correspondence.

Once again we would like to stress the importance of getting our message across to governing officials. We feel that a subscription to the Bulletin may well aid this cause. Fill in the following form now to insure the receipt of this issue.

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Resolution Adopted At Annual Meeting

WHEREAS:

Beginning in 1962 the N. J. Assessors Bulletin has been published under the auspices of the Association of Municipal Assessors of N. J. and, WHEREAS:

The Bulletin was entered as a candidate for the Zangerle Award, an annual contest of the IAAO to recognize the most deserving Assessors' publication based on scope, content, format and overall quality, and

WHEREAS:

In international competition the IAAO at its Annual Conference in Los Angeles, California, October 6, 1964, voted the Zangerle Award to the N. J. Assessors Bulletin.

NOW, THEREFORE, BE IT RESOLVED:

By the Association of Municipal Assessors of N. J. that the Association hereby expresses its gratitude and extends its warm congratulations to the Editorial Board of the N. J. Assessors Bulletin consisting of the following devoted individuals who have contributed their time and efforts toward the success of the periodical, Norman E. Harvey, Editor-in-Chief; Samuel Befarah; William A. Brewer; Herbert M. Gaskill; Daniel P. Kiely, Jr.; Lloyd Koppe; and George J. Linger. BE IT FURTHER RESOLVED:

That this resolution be spread upon the minutes of this Association and published in the next issue of the N. J. Assessors Bulletin.

Dated: Nov. 18, 1964

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FARMLAND ASSESSMENT AMENDMENT

(Continued From Page 9)

would result in \$4,783.80, for a total roll-back for these three years of \$14,351.40 on the 114 acres.

Please note that roll-back taxes apply only when land that has been assessed under this act has a change in use. There is a limit from the standpoint of time of three years, the year in which the change in use occurs, plus the previous two years, provided that the land was assessed in accordance with this act all three years. If a change in use occurred during a year in which the land was not assessed under this act but had been so assessed during the previous two years, then it would be subject to roll-back taxes for those two years.

Roll-back taxes are assessed in accordance with the procedures provided by the omitted property tax statutes. In other words, the assessor furnishes his County Board of Taxation with the necessary information after giving the owner of the land due notice. They render the judgment of the assessment. If it is rendered before October 1 the roll-back taxes become due and payable November 1 of that year. If judgment is rendered between October 1 and before December 31, then the roll-back taxes would be due the following year on November 1.

If you have had any experience with the present omitted assessment law of this state, you are aware of the fact that it involves a lot of work. The assessor would like to see it amended to the point where it could be applied along the same line as our present added assessment law. Such a change would greatly aid us in the administration of these new roll-back taxes.

You are probably asking, who pays roll-back taxes? What happens if they are not paid? The answers are as follows: Roll-back taxes are levied on the land. If not paid, they become a lien upon the land from January 1 of the year in which judgment is rendered by the County Board. It is up to the owner of the land to see that such taxes are paid.

Incidentally, the owner or other interested parties have a right to review any judgment affecting roll-back taxes under the same procedure set up for omitted assessments, including appeals. The limitation prescribed in the omitted assessment law regarding the review of judgments, etc., does not apply to roll-back taxes. In the case of these taxes, the procedures apply to each year for which they are imposed.

Effect of Change in Use

When land that is being assessed under this act is applied to a use other than agricultural, it becomes subject to roll-back taxes. If this change occurs between October 1 and December 31 of the pretax year, any application pending for assessment under this act can be denied or nullified by either the assessor or County Board of Taxation, as the case may be and the land in question assessed at the same standard of value applicable to other land in the taxing district. The assessor would deny the application if he learns of the change before filing his tax list on January 10. If the assessor is unaware of the change, the County Tax Board, can, upon hearing of same, void the application and change the assessment.

If, notwithstanding such a change, the land is assessed under the act for the ensuing tax year, the assessor will enter the assessment as an added assessment. The amount will be the difference between the two values involved and shall not be prorated. As stated above, this procedure is followed when the change in use occurs between October 1 and December 31. It does not affect the imposition of any roll-back taxes that might be applicable.

How will the application of this act affect the equalization of land for state school aid and county tax apportionment? It will have no adverse effect. The Director of the Division of Taxation will determine the true value of land assessed under this Act and equalize it on the basis of its agricultural use. The County Board of Taxation will use the same approach in apportioning county taxes.

A new category will be established in the sales-ratio analysis, in that farmland shall be classified according to the manner in which it has been assessed. Separate ratios will be determined for each classification, except that the residential ratio shall also include farmland assessed under this act. All true values and assessment ratios will be

determined in accordance with established sales-ratio procedures.

The continuance of farmland assessment under this Act depends upon the continuance of the land in agricultural or horticultural use and not its ownership. Conversely, liability for roll-back taxes does not accrue when a change in ownership occurs, if the new owner continues to farm the land.

A separation or a split-off from lands assessed under this act for a change in use, shall subject the land so separated to roll-back taxes. However, it will not impair the remaining land from being assessed under this act, if it still meets all the requirements. On the other hand, the taking of land assessed under this Act by eminent domain shall not subject such land to roll-back taxes.

Another Feature

There is one other feature of this Act that should be mentioned. It created a State Farmland Evaluation Committee, the members of which are the Secretary of Agriculture; the Dean of the College of Agriculture, Rutgers — The State University; and the Director of the Division of Taxation. The primary objective of this committee is the determination of ranges of farmland use values based upon its productive capabilities, for each of the several classifications of farmland in New Jersey. These ranges of values are to be made available to the assessors annually on or before October 1. While these values are not binding upon the assessor, under Section 7 of this Act, he is required to consider them in determining the value of farmland assessed under this Act.

This committee has held several meetings and has just about completed its task for this year. The studies made and the values developed by it represent many hours of arduous work and while it did not make the October 1 deadline this year, it is believed every assessor will have these suggested values in land in ample time to consider them when processing the applications filed for the tax year of 1965.

In concluding this presentation, there is one final point to be brought to your attention. This farmland assessment act is a departure from the single standard of value concept of assessing that has been in effect in the garden state for years. Will it work?

Will it accomplish what its proponents claimed at the time they were campaigning for it throughout the state last year? Only time will tell. Mr. G. Raymond Wood, Director of the Southern New Jersey Development Council, speaking at their annual meeting in Glassboro in September, predicted that New Jersey will have a growth pattern twice the national average during the next ten years. Acre after acre of farmland is being diverted to other use up and down this fair state whether we like it or not and regardless of any legislation that has or may be enacted into law.

For example, land in my taxing district that produced sweet potatoes last year has streets cut through, utilities installed and dwellings under construction this year. While we might enact more tax legislation into law and make more work for the assessor, we cannot hold up progress. Due to our location on the Eastern seaboard, we will continue to grow. Values will go up and so will taxes as demands for municipal services increase. New Jersey has always been a property tax state. It is doubtful if this situation will be changed in the foreseeable future.

THE PROGRESS OF PROFESSIONALIZATION

(Continued From Page Six)

professional man. It is therefore suggested that the proposed minimum training be recognized as an indispensable prerequisite for professional status. It should also be recognized that acknowledged standards of ethical conduct are also necessary to obtain that status. The definition and adoption of such standards should proceed immediately. Let's start the discussion with the I.A.A.O. Code of Ethics and Credo for Assessors and go on from there.

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Conference for Assessing Officers

The planning committee for the 1965 Conference for Assessing Officers, held at Rutgers, The State University have agreed that the program will begin on Tuesday, June 15, 1965 and conclude on Friday, June 18, 1965. The following tentative program was agreed upon:

Tuesday, June 15, 1965

- 9:45 A.M. Welcome To The Conference
- 10:00 A.M. New Developments in New Jersey Tax Law
- 1:30 P.M. General Discussions Panels

Wednesday, June 16, 1965

- 9:00 A.M. Results of Chapter 51
- 10:15 A.M. Discussion Groups on Chapter 51 Administration
- 11:15 A.M. Problems of Chapter 51 Administration
- 1:30 P.M. Model State Tax Appeal Hearing
- 3:30 P.M. Farmland Assessment or The Use of Electronic Data Processing in Assessment Administration
- 7:30 P.M. Styles of Architecture or Capitalization

Thursday, June 17, 1965

- 9:00 A.M. Society of Municipal Assessors (Review and Preparation)
- 1:30 P.M. Demonstration Appraisals

Friday, June 18, 1965

- 9:00 A.M. Assessor Training Report Presentation
- 11:30 A.M. Guest Speaker

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