

New Jersey

DEC 29 1965



Assessors

Bulletin



AFFILIATES



VOL. 4 No. 4

Association of Municipal Assessors of New Jersey

DECEMBER 1965

CLARENCE N. DELGADO ELECTED PRESIDENT

President Delgado, Assessor of Ridgewood Village, Bergen County, has been in the assessing profession for fifteen years. He is a past President and Secretary-Treasurer of the Bergen County Assessors Association. "Del" has been State Chairman for the International Association of Assessing Officers and has served on the Training Committee for this organization. He is presently a member of the board of Governors of the Northeast Regional Conference. "Del" is a charter member of the Society of Municipal Assessors (S.M.A.), and has been instrumental in the advancement and operation of this program. He has served as an Instructor for all of the Assessor's Educational courses given by Rutgers University. His message follows:

"Fellow Assessors,

As I told you at Atlantic City, it was very gratifying to receive your whole-hearted support for the position to which you elected me.

This year I plan to concentrate our effort on the certification of Assessors and I plan to reactivate the Tri-County groups so that the separate Counties have the best liaison possible with the Executive Committee.

I would like to congratulate the members of the Association for their wise action in Atlantic City on the resolution calling for the repeal of Chapter 51. Revision, as the Association suggested, is certainly the better course. This revision, rather than repeal course, was recently supported by the New Jersey Conference for Mayors when they changed their resolution on Chapter 51 from repeal to revision.

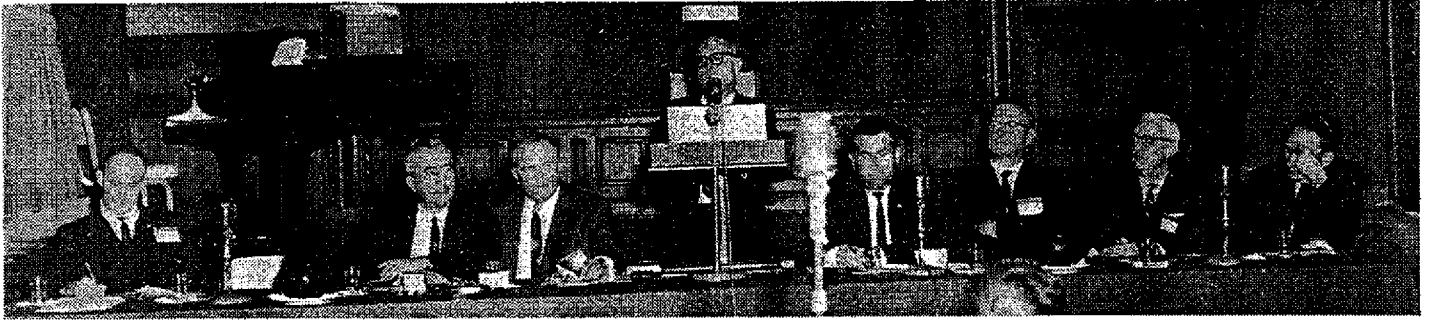
However, Chapter 51 is still our biggest problem. The Legislature will no doubt make many changes in the law and we will make every effort to keep you informed. We will endeavor to do this so we can act quickly and make our feelings known if any important item should arise that should require our support or objection.



Clarence N. Delgado

The S.M.A., Pipelines and In-Service Training programs will be reported fully in our Bulletins to keep you abreast of our activities.

The best to you all from your Executive Committee and President.



Pictured above is the Panel which discussed "Chapter 51, One Year Later" at the Assessor's final session at this years' League Conference in Atlantic City. From left to right: Robert Woodford, Government Specialist, New Jersey Manufacturers Association; George Linger, Assessor, South Plainfield; Clarence Delgado, Assessor,

Ridgewood; Sidney Glaser, Assistant to the Director, Division of Taxation; Daniel P. Kiely, Jr., Assessor, Plainfield; Marriott Haines, Assessor, Vineland; John Borden, President, Camden County Board of Taxation; Gerald Hall, Research Director, New Jersey State Chamber of Commerce.

NEW OFFICERS OF STATE ASSOCIATION

The following is a list of the newly elected officers of the Association of Municipal Assessors of New Jersey as elected during the League of Municipalities Convention in November 1965 (all addresses are for the Municipal Building of the municipality shown):

President Clarence Delgado, Ridgewood, Bergen County; First Vice-President — Daniel P. Kiely, Jr., Plainfield, Union County; Vice-Presidents — A. James Reeves, Cinnaminson Township, Burlington County; Harry Tracey, Sea Isle City, Cape May County; Samuel Befarah, Jr., Asbury Park, Monmouth County; Margaret Jeffers, Jersey City, Hudson County; John Connolly, South Orange, Essex County; Edward Markowich, Wayne Township, Passaic County. Secretary — Theodore Swarer, Scotch Plains, Union County. Treasurer — Lloyd Koppe, Scotch Plains, Union County. Sergeant-At-Arms — Clifford Ryerson, Vernon, Sussex County.

Assessors Win Award

This year in Atlantic City the "Al Weiler Award" was presented to the following Assessors:

Clarence N. Delgado	Alfred J. Greene, Jr.
Marriott G. Haines	Lloyd P. Koppe
Edw. P. Markowich	Russell T. Wilson

This award was presented to these assessors for their outstanding participation in organizing, promoting and upgrading the assessing profession through the various educational programs. Their travels throughout the width and breadth of New Jersey, speaking before various assessors associations and encouraging them to participate in the various courses offered by the Bureau of Government Research of Rutgers University has given impetus to many assessors to avail themselves of this instruction and so improve the status of all assessors in general.

TREASURER'S REPORT

Association of Municipal Assessors of N. J.

October 29, 1965

Balance in Checking Account	
November 16, 1964	\$ 619.71

RECEIPTS	
Membership 1964 (23)	\$ 69.00
Membership 1965 (700)	2,100.00
Bulletin Income	866.00
S. M. A.	285.00
Associate Membership (31)	775.00
Miscellaneous	23.00

Total Receipts	\$4,118.00
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\$4,737.71

DISBURSEMENTS	
Bulletin	\$1,002.51
Convention 1964	163.75
Postage and Supplies	155.62
Salary (Secretary)	250.00
Western Union	3.63
S. M. A.	113.26
State, Agenda and Tri-County meetings	627.50
Transferred to Savings Account	1,520.00
Miscellaneous	23.00

Total Disbursements	\$3,859.27
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Balance Checking Account	
October 29, 1965	\$ 878.44

Balance Savings Account	
First Natl. Bank of Scotch Plains	\$6,200.00

Balance in All Accounts	\$7,078.44
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Market Value - Beacon Light of Appraisal

HAROLD F. MEYER

This article originally appeared in the October, 1965, issue of the APPRAISAL JOURNAL published by the AMERICAN INSTITUTE OF REAL ESTATE APPRAISERS. Mr. Meyer and the APPRAISAL JOURNAL have been kind enough to give us permission to reprint this article for the benefit of all New Jersey Assessors.

Mr. Meyer, M.A.I., of Forest Grove, Oregon, has been active in appraisals, sales, and management since 1947. He is a member of American Right of Way Association and Society of Real Estate Appraisers.

The decree that "went out from Caesar Augustus that all the world should be taxed" is, perhaps, the most vividly publicized instance of revenue-gathering by a public body. However, the power of taxation is so universally recognized that it causes no stir among the public.

The question as to how the taxes should be raised is another thing. The human power of rationalization being the potent force that it is, most of us feel that only we are paying "too much taxes" and the other fellow is just paying his fair share.

In no field of taxation is this more prevalent than in the taxation of real estate. Boards of appeal and of equalization, tax commissions, and tax and circuit courts have before them, every year, thousands who are appealing assessments—almost always on the grounds that "While the general law is all right, I am being assessed unfairly and not uniformly."

The history of real estate taxation is a history of attempt to make the law apply uniformly and to raise the required amount of money.

In most of our states, the effort to apply taxation laws uniformly has gone through a definite historical cycle. To begin with, assessment for tax purposes was conducted in a completely haphazard manner. Usually after a state was admitted to the Union, and the state had been divided into counties, the task of assessment for tax purposes was turned over to an elected official, the assessor. To qualify for the office, this person had to be over 21 years of age and a resident of the state. This resulted in an assorted miscellany of clerks, town orators, auctioneers, ne'er-do-wells, and retired businessmen being elected to the position.

To aid the assessor in assessing both real and personal property, usually a number of part-time deputies were appointed. These were usually those who had no other job during the winter and who were assumed to be somewhat acquainted with the area they were assessing. (The term appraising was then as relatively unknown as was the art.) This part-time deputy assessed the property nearly entirely by general guess-and-by-golly method. The notion that assessment for tax purposes was to bear any resemblance to what the property would sell for in a free and open sale was dismissed as a wild idea somewhat akin to theological heresy. A set of values was dreamed up by this deputy assessor which would be so low that even the most ignorant property owner would accept them as being "reasonable."

The whole process of assessment was a giant guessing game and a match of wits between the assessor and property owner to arrive at a value which both knew to be ridiculous but one which each party to the poker game thought favorable to his position, rather than his adversary's. Further, the deputy assessor was probably a neighbor of the property owner with whom he wished to be friends on a year-around basis.

NEED FOR PROPER ASSESSMENT RECOGNIZED

In due time with the increased need for revenue and the consequent rise in the amount levied and collected, the chaos and confusion arising from the unscientific approach became apparent to many. Differences in assessed values between similar properties, and between different areas and classes of properties became glaring. The difference in ratios of assessed values to market value could no longer be overlooked.

At this point, many states by one means or another attempted to analyze the inadequacies of the antiquated as-

essment procedure, and to substitute a scientific program of assessment or, as it was now called, "appraisal."

These programs at first attempted to utilize the old "true cash value" and "normal value concepts." These and attendant theories were found unworkable and inequitable.

Finally, it became generally recognized by students of tax appraisal as a fundamental premise that all assessments must stem from an appraisal of the property for "market value."

It is to a defense of this premise that the writer wishes to address himself for he believes that it is only by holding firmly to this premise that we can hold the gains that have been accomplished in the field of taxation.

It is the very merit of this concept which has brought it under fire from those who would preserve old inequities or establish new favoritism.

MERITS OF MARKET VALUE CONCEPT

The concept of appraisal for market value as a starting point for all tax assessment has its bulwark and strength in the following:

1. It is a universal norm.
2. It is easily recognized.
3. It can be established by a competent investigation.
4. It is not amenable to personal caprice.
5. It is established by the public itself.
6. A disciplined classical approach of estimating market value is available.
7. It can be used to establish equity between properties and classes of property.

MARKET VALUES AS A UNIVERSAL NORM

Market value is a universal norm in that almost all property has a market value. Even though a few very specialized properties normally are not bought and sold, the great preponderance of properties are bought and sold on the open market. The market value norm is established

(Continued On Page Five)

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The following is a list of the ASSOCIATE MEMBERS of the Association of Municipal Assessors of New Jersey. These individuals and their respective companies, through their association with us, show a deep interest in the assessing profession. We appreciate their contribution to our organization and hope it will continue.

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BEACON LIGHT OF APPRAISAL (Continued From Page Three)

by constant bargaining between buyer and seller, each acting freely and more or less independently. No other concept of value except market value has such a universal norm. It is when he steps into the clouded light of the concept of value-in-use and its attendant theories of equity that the appraiser is thoroughly confused.

May I stress that it is market value—not market price—that I emphasize. Too many assessors and too many boards tend to accept a particular price at which a property sold as market value regardless of whether it was bought by the town's champion bargainer or a new arrival from out-of-state. They overlook that it may have been sold by a widow liquidating an estate or by an expert salesman who was a master at capitalizing on a buyer's impulse. To stay with the concept of market value, the assessor does not surrender his judgment to one man's action. For the assessor's appraiser to do so is, in my opinion, a confession of incompetence.

PUBLIC RECOGNITION OF MARKET VALUE

Perhaps one of the greatest merits of the concept of market value is that it is easily recognized. The trained and scientific appraiser is necessary to estimate market value, but by and large, the taxpaying public knows within a reasonable range what market value is.

Ask the property owner whether he will sell for the amount of the tax appraisal, and the clamor for revision often quiets down. I so firmly believe in this recognition of market value by the public that it is my opinion that if less than $\frac{1}{2}$ of 1% of the taxpayers does carry an appeal to the tax-appellate board annually, the values established by the assessor are too low. This recognition of market value by the public aids the taxpayer in establishing in his own mind whether his assessment is in parity with his neighbors. Contrast this to the quandary that the taxpayer is in if he tried to compare his property to his neighbor's by a variation of the value-in-use concept. Here he has absolutely no guide for comparison.

EASE OF INVESTIGATION

Not only is market value a universal and easily recognized norm, but it can be established by investigation. This investigation consists moreover of a clear-cut pattern of attack upon the problem of estimating market value. The three classical approaches of estimating market value avail themselves of facts, trends, and directions of movement established by the public, and they are available to all who wish to find them. Not only can the professional appraiser conduct this investigation, but so can the public. Furthermore, the public can hire an independent professional appraiser to conduct this investigation for him with the full realization that the end-product of the investigation—namely, market value—is a clear concept that is as easily found by his appraiser as by the assessor's appraiser.

MARKET VALUE BEYOND PERSONAL CAPRICE

Unlike other concepts of value, market value is not amenable to personal caprice. A particular personal situation relative to a particular taxpayer's ownership of a piece of property is not allowed to jeopardize the assessor's appraisal of it. This keeps the assessor out of a veritable jungle of values and allows the taxpayer to see how values were established upon a property. Contrast this to the old method of assessing where the deputy and the property owner engaged in a mutual guessing and bluffing game and where the value of each property was established by the caprice of the moment. By adhering to market value, the appraiser cannot be dragged into all the personal situations of a particular taxpayer. He knows that he is appraising property and not individual personalities.

MARKET VALUE PRODUCT OF PUBLIC ACTIONS

Market value has a further fortress in the fact that it is established by the public itself. It is not born anew each morning, as are some other concepts of value in the mind of the appraiser. It is the public, buying and selling property freely and knowledgeably, who marks the guide lines within which market value is found. Speculative ideas and visions of equity are kept at a minimum. The public not only sets out the goal but marks the road to get there. Both the assessor and the taxpayer are dealing with tangible estimates of value and concepts of worth left by the taxpaying public itself. In a very real sense, under the concept of mar-

ket value the taxpayer is appraising his own property by his own actions.

Market value is further recognized by the courts. The bulk of the judicial opinions point to a reasoning on the part of the judiciary that there they have something to which to tie. Definitions of market value differ in detail, but they all agree on concepts of informed, willing buyers and informed, willing sellers, acting freely and without duress, each desiring to consummate a transaction, but neither compelled to. This helps all who appear before the courts. They know the guideposts to the decision; all that is left is to marshal the facts and to establish the reasoning.

CLASSICAL TECHNIQUES AVAILABLE TO ALL

Not the least of the advantages of the guide of market value in ad valorem taxation assessment is the great body of classical technique, approach, and procedure, that is available to all. For 25 years the great minds of the appraisal profession have addressed themselves to the problem of ascertaining market value. As a result, the well-established approaches of cost, income, and sales data are almost universally recognized by those who deal with this problem. The handling of all the particular problems of each approach has been explored in detail. No significant signposts to market value have been or are to be ignored.

Three major professional organizations—the American Institute of Real Estate Appraisers, the Society of Real Estate Appraisers, and the American Society of Farm Managers and Rural Appraisers—regularly give courses, publish scholarly journals, sponsor seminars, and author texts aimed at keeping up with changing concepts in the individual problems of correctly assessing market value. These can be secured and read by anyone—taxpayer, court, or assessor.

Contrast this to the Stygian fog that surrounds the appraiser when he attempts to ascertain value to a particular party. There are no guide lines, no accepted approaches, no great body of knowledge; he is left to flounder or be arbitrary.

PROMOTION OF EQUITY

Equity between properties in the same classes is promoted by the theory of market value. Each taxpayer's property in the class is measured by market value and it is quite easy to see inconsistencies. Anything less than a market value appraisal leaves the taxpayers with a just complaint, no place to go, and no practical remedy. In this situation, the taxpayer would not only have to prove the value of his property, but he would have to prove the relative value of his neighbor's property. If the appraiser sticks with the market value concept, the taxpayers with the just complaint only has to show how his assessment stands with relation to market value.

Where else can we establish equity between classes of property except by utilization of the concept of market value as the guidepost? The complex commercial property has little in common with the small taxpayer's home except that both have a market value. The corporate farm and the subsistence acreage both can be appraised for market value.

May I again emphasize here that to ascertain this market value he should employ all possible appraisal approaches—cost, income, and sales data insofar as each is applicable. Some kinds of properties are not normally bought and sold but they do have a market value. The process of ascertaining it is more sophisticated; but that is no reason to abandon the goal.

This puts all properties on the same level for ad valorem taxation. No one can claim special privilege and no one suffers particular abuse. All are measured by the same yardstick.

This is vital, as different classes of property might be carrying loads all out of proportion to each other on any other basis. Political influence, special privilege, and particular position on value are removed as factors when the assessors stay with market value.

TWO REQUIREMENTS

A successful ad valorem taxation program must be based on two propositions:

1. It must establish equity.
2. It must produce revenue from an income flow from the property.

In a democratic society, equity is important. Democracy will live or die as it produces equity. The concept of no

(Continued On Page Eight)

Association of Municipal Assessors of New Jersey

NEW JERSEY ASSESSORS BULLETIN

P. O. Box 909, Plainfield, N. J. 07061 — PL 6-3497

Quarterly Publication

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(Continued On Page Nine)

AMENDMENT DEFEATED

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BEACON LIGHT OF APPRAISAL (Continued From Page Five)

taxation without representation stems from our earliest forefathers. We have examined thoroughly the concept of market value in relation to equity. We have found it establishing equity between classes of property and between properties within classes, and we have seen that it automatically calls into play techniques which will correct any inequities.

The second concept of taxation remains to be examined; namely, that a property must produce an income from which a taxpayer can pay taxes. Any analysis of this depends upon recognition that income consists of:

1. A regular cash flow.
2. Amenity income to the property owner in the form of the capacity to fill desires and which capacity is recognized and paid for in the market place.
3. Delayed income through appreciation in value or growing for future harvest, of a crop.

The cash flow area is easily recognized and acknowledged. The apartment house, the commercial property, and land leased, all produce regular income that is admitted by the taxpayer and from which he can pay his taxes. Furthermore, if he can show that his income stream is diminishing, under the concept of market value he can probably show that the property is of lesser value—assuming management is typical and prudent.

While not being as generally recognized, amenity income, or income from the capacity to satisfy human wants and desires, other than money, is not too often disputed. The pleasures of a fine view from the home, good surroundings, a nearby church, school, or community facilities, to name a few, are now recognized by all who own a home. Furthermore, the presence or absence of these amenities changes the market price of the property. This amenity income is then recognized in the concept of market value.

DELAYED INCOME AND ITS REWARDS

There is the third type of income—namely, delayed income—which is least admitted and most argued, but it is there and real. As an example, consider the vacant farm land in a metropolitan area which may grow only marginal crops. If the line of progress or change is in its direction, it may be the beneficiary of an income through an annual increase in its value far exceeding any cash income which farm enterprises might have. The vacant strategic commercial site has the same advantage.

Transition from present uses to future and more productive uses produces this delayed income where there is no apparent cash flow.

Furthermore, and most important, there are buyers who will pay for this delayed income. Probably some of the greatest sales activity in real estate is in the class of property producing delayed income.

The difficulty in ad valorem taxation is that the property owner nearly always wants to pay taxes on the basis of present cash income while retaining the benefits and rewards of the future realized delayed income.

Change produces stress and strain inevitably and some people may not be able to wait out the time to collect the delayed income while carrying the out-of-pocket costs of holding the property. However, this is true of any person who attempts to maintain a position in society for which he is not equipped. The buyer who will pay for this delayed income is ready—if not anxious and willing—to pay out-of-pocket carrying costs, and is prepared to wait for the delayed cash income of appreciation in value.

The concept of market value recognizes this, and produces an equitable way of assessing the property.

The same delay in income collection is experienced by those who harvest a crop which is a long time in growing, such as walnuts or timber. Many production costs go into producing this crop but there are buyers who are willing to pay the costs of reaping this delayed income.

Under the concept of market value, we recognize this delayed income and assess it accordingly at any given stage of value increase.

Properly applied, the market value concept recognizes all three classes of income—cash income, amenity income,

and delayed income; and properly applied, the market value concept promotes equity.

ATTACKS ON MARKET VALUE CONCEPT

Throughout the country, the concept of market value has come under increasing attack in recent years. It was promoted to correct inequities in the ramshackled tax assessment program which had grown up over the years. But its very merit of equitably measuring all by the same yardstick is its greatest political weakness, and leaves it open for attack by lobbies.

The forces of special privilege and inequity are always at war with the forces for equity. Human nature, being so constituted that it recognizes all special treatment as special privilege except its own special privilege, is bound to work for special consideration for its particular individual advantage.

In a democracy, this attack must come primarily through the legislature. Here the whole program of equitable assessment can be subverted by legislative reaction. The legislature, if it wants, can lead us back to the same jungle from which we have so lately emerged.

Already, in Oregon, such things as the orchard exemption law, the green-belt zoning law, the timber taxation exemption, and the "no tax during construction" law have set the storm flags flying; and similar laws are being promoted or passed through the country, granting special privileges and undercutting the concept of market value.

It is true that some areas of society may need special protection; but it is my contention that they should be honestly subsidized and the protection labeled "subsidy," if need be.

Let us not destroy all the progress we have made in the equitable assessment and appraisal of real property for taxation by trying to destroy the concept of market value. I urge that the beacon light of the concept and application of market value to the assessment process must not be snuffed out. It stands as a shining light, protecting all taxpayers and assuring them of fair treatment by a method of evaluation which is clear and concise and equitable.

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Assessors Change Positions

Ed Markowich, Assessor of Cranford Township, Union County will assume the assessing duties in Wayne Township, Passaic County.

Russ Wilson has left East Orange, Essex County, to become the Assessor in Hackensack, Bergen County.

Joe Krupinski will be the Assessor in Teaneck Township, Bergen County. Joe was formerly in Mahwah Township in the same County.

Committee Appointments

(Continued From Page Seven)

RESOLUTIONS COMMITTEE

George Linger, Chairman
Marriott Haines Al Greene Jr.
Russell T. Wilson

S. M. A.

Al Greene Jr. Evelyn Moore
Marriott Haines Daniel Kiely Jr.
Claire Young Charles Kline
Clarence Delgado

BAR ASSOCIATION

Dan Kiely Jr. Milford Levenson
Ed Markowich Randy Brokaw

PUBLIC RELATIONS

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John Murray J. P. Delgado
Warren De Mouth

PUBLICITY

Norman Harvey

AUDITORS

Ralph P. Franke Russell T. Wilson

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Reggie Pierce Jim Anderson
George Goetz

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John Murray, Chairman
Charles Taylor Sid Margolin
Stuart Robson

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Clair Young, Chairman

RESEARCH & STATISTICAL

William Brewer, Chairman
Larry Hardy Norman Harvey

ASSESSOR'S QUALIFICATION & CERTIFICATION

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Al Greene Jr. Randy Brokaw
Ed Markowich Harry Tracey
Lloyd Koppe Margaret Jeffers
Dan Kiely Jim Reeves

PIPELINE

Ed Renk, Chairman
George Linger Morvan Vaughn
Everett Manning

CONVENTION PROGRAM

Harry Tracey, Chairman
Bud Ferry Art Lockwood
Herbert Gaskill Dan Kiely

CHAPTER 51

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Ed McKenna Al Greene Jr.
Peter Torre Ed Markowich
Evelyn Moore

PROPANE GAS

A. Jim Reeves Marriott Haines
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To County Organizations

It is still urgently requested by Lloyd Koppe, 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, Theodore Swarer 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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Your Association has had a very attractive lapel pin designed for identification of its members. A considerable number were sold at the Atlantic City Convention, and we wish all members to have the opportunity to purchase one at \$1.00, which is about half the cost. Please take advantage of this opportunity, preferably through your County Association or direct to Theodore Swarer, Secretary, Box 11, Scotch Plains, N. J.

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Tax Appeal Opinions

The Bulletin hopes to make a steady practice of printing these "Excerpts and Abstracts from Division of Tax Appeal Cases".

NO. 72 EQUALIZATION — COUNTY BOARD RATIO ACCEPTABLE — Under existing statutes, the use of an "unweighted" average by the county board of taxation for equalization purposes is proper under the law.

SYNOPSIS

The townships filed complaint with the Division of Tax Appeals under N.J.S.A. 54:2-37 seeking review, correction and revision of the 1965 Table of Equalized Valuations adopted by the Middlesex County Board of Taxation.

The main question concerned the method of computation used by the board in arriving at its equalized values i.e., the use of "unweighted" as opposed to "weighted" ratio.

Upon affirming the Middlesex County Table of Equalized Valuations, the Division of Tax Appeals determined that there was no evidence to prove that the County Board acted arbitrary, capricious, or unreasonable and cited, *City of Passaic v. Passaic County Board of Taxation*, 18 N.J. 371, 385 (1955) where the court stated:

"The county board act does not specify any mode for arriving at equalization in the county table. It is a general proposition of law that 'where a statute empowers a state board to equalize valuations for taxation, but does not point out the mode, any reasonable and efficient mode may be adopted.' 3 Cooley, Taxation (4th ed. 1924), sec. 1196, p. 2395..."

EXCERPTS AND ABSTRACTS FROM DIVISION OF TAX APPEALS CASES

No. 73 — EXEMPTIONS — PUBLIC PROPERTY LEASED TO PRIVATE ENTITIES — AIRPORTS — Certain privately-owned facilities located at county airport entitled to exempt status by reason of necessity in fostering the public purposes.

Lower Township v. Cape May County, et al., Division of Tax Appeals, July 22, 1965, Commissioner Lario.

SYNOPSIS

Since 1949, Cape May County Airport, a publicly owned airport situated in Lower Township, leased certain facilities to the United States Overseas Airlines and Young's Flying Service, both private corporations. Assessments upon said properties, originally levied against the private companies, were transferred to the County Airport by the Cape May

County Board of Taxation. The County of Cape May appealed this ruling to the Division of Tax Appeals.

The Division held that the leased properties were used "incidental to the primary function of a county airport and are necessary to the operation of an airport." Exemption of said operations was sustained.

No. 74 — EQUALIZATION — Deficient Revaluation Disregarded in Computation of County Table of Equalized Valuations.

Township of Cedar Grove v. Essex County Board of Taxation, Division of Tax Appeals, September 1965, Commissioner Lario.

SYNOPSIS

Petitioner filed complaint under N.J.S.A. 54:2-37 seeking review, correction and revision of the 1965 Table of Equalized Valuations. On hearing the matter, it was revealed that the assessor for the Petitioner — Township of Cedar Grove had been advised by the county board to institute a revaluation. It appeared that the revaluation program was undertaken by the assessor and testimony demonstrated his failure to consider all of the property in the taxing district.

As a result of the foregoing, the Division of Tax Appeals ruled that the substantially deficient municipal revaluation program was properly disregarded by the county board in the computation of its 1966 Table of Equalized Valuations for county tax apportionment purposes.

It concluded that the inaccurate and incomplete revaluation statistics may be rejected even in the absence of settled rules for the conduct of a revaluation. Quite properly the county board relied upon the "page 8 formula" as applied to the Director's table in its computation of the final ratio for county tax purposes.

Zip Codes

You are aware, I'm sure, of the request by the U.S. Post Office Department that zip codes be used. We request you inform the Bulletin of your zip code number. You may take this opportunity to inform us of your correct mailing address if the one we now have is incorrect.

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