

New Jersey



Assessors

Bulletin



AFFILIATES



VOL. 7 No. 1

Association of Municipal Assessors of New Jersey

MARCH, 1968

ASSESSORS DEFINITION: REPORT — BING, BANG, BUNK

The following was written by Norman Harvey, Assessor of Englewood, Bergen County and Editor of the Bulletin. What started out as an 'Editorial' blossomed into a lengthy discourse on the foibles of reports and studies made by so-called consultants and experts in certain fields. Although the article deals only with the experiences in Bergen County we feel that all assessors should be made aware of this 'Creeping Consultantism' sort of thing that may arrive in your county or municipality at any time.

Not too long ago an article in Reader's Digest, one of a series, entitled "Can Local Government Be Saved", viewed with alarm some of the difficulties experienced in cities and towns. An example of incompatible land use was linked to assessing practice in Bergen County. This provoked a response from Bergen Assessors in the form of a letter to the Editor of Readers' Digest, which they asked be reprinted in the Bulletin. Considering the difference in circulation and readership the retaliatory effort was certainly quixotic. But the surge of righteous indignation was long overdue.

However this was one of many such articles and dealt only in passing with assessment problems. The real significance lay in the fact that the writer strung together several pseudo startling and completely irrelevant "facts" which started out as symptomatic of the decadence of local government and managed to become cause and effect in the mind of the reader seeking a solution to the "problem".

For example, the article describes Bergen as "a 233 square mile blob of houses factories and shopping centers across the Hudson River from New York City" which today "is really a big city, with a population of 900,000." Between the two statistics above, it says that Bergen "is a typical example of how we are trying - and failing - to serve automotive age requirements with a

horse and buggy governmental framework."

Then the whole becomes clear as it is noted: "When its 70 towns were founded at the turn of the century, the County was mainly agricultural and the small town unit was adequate to the needs of its 78,000 scattered farmers and small businessmen."

Everybody got that now? 70 small towns were adequate for 78,000 - but for 900,000 they are entirely too - ? - adequate ? ! !

Another example; Quote: "Which brings us to another symptom of the system's senility: incompetence. Though most of the experts regard a population base of 50,000 as the very minimum needed to support efficient services, over half our governmental units contain fewer than 1,000 people and over 90 percent fewer than 10,000. The result is that they can't afford the skills or the equipment they need, and are forced to depend largely on volunteers and amateurs, often on a part time basis. The harsh fact is that today's problem are simply too complicated for amateurs."

"Take for instance, the method by which we tap our single most important source of local revenue, the property tax. Assessing the market value of a piece of property requires a whole battery of specialized knowledge, from a for-ester's ability to judge the amount and quality of

(Continued On Page Six)

Sub-Committee Appointments

President Daniel P. Kiely requested each Vice President to contact the County Presidents in his area requesting names of interested assessors within their respective counties who would be willing to serve on the sub-Committees. Response was very good.

President Kiely in conjunction with the Vice Presidents in charge of the standing committees appointed the following assessors to sub-committees. Where there has been no specific assignments the Vice President will utilize his men where and when he best sees fit.

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EVERYTHING

FOR THE

ASSESSOR

This is a New Jersey business owned and operated by the former Tax Assessor of the Borough of Dunellen.

Cost Vs. Value

Edward A. McKenna, SMA, SREA

Borough Assessor, Fair Lawn, New Jersey

For Assessors and appraisers alike, the terms "Cost and Value" give rise to much confusion. They are widely used but widely misunderstood. Often they are used interchangeably! While they do have a relationship with each other, each should have a meaning for assessors that is separate and distinct. All of us know that there are many values; for example, full value, cash value, assessed value, intrinsic value and others. The same applies to cost; for instance, historical cost, interest cost, replacement cost, reproduction cost and so forth. For the purpose of this discussion value will be considered in the broad sense of the "willing buyer, willing seller" definition and cost will be considered in the sense of a "price paid for real property". Fundamentally, money is the measurement of the two terms, but value is not necessarily the same amount of money as cost. In order for an object to have value, it must meet the requirements of scarcity, utility, desirability, permanence and other qualities inherent in real property which are not necessarily related to cost. One of the accepted definitions of value is "The present worth of future benefits", where the benefits may be money or amenities, or both. This definition of value includes within itself the whole "bundle of rights" theory.

In the assumption of Highest and Best Use as a determinant for value, there is the possibility that cost and value may be equal, if an improvement truly represents the Highest and Best Use. This concept can also help us understand the differences between cost and value when we think about "the office building in the desert" where there is no doubt about the cost, but considerable doubt about its value. Another reasonable proposition states, "no prudent buyer will pay more for a home than it would cost him to build a similar home on a similar lot". The theory of substitution tells us that "value tends to be set at the cost of acquiring an equally desirable substitute property, assuming no costly delay in making the substitution". In the appraisal of special purpose properties like churches and schools, there is no market and it would be impossible to locate substitute property. So the Cost Approach is the most effectual way to arrive at value in a situation such as this. Cost and value would be synonymous and there would be no doubt of the terms used.

Experience shows in a rising real estate market, of the three approaches to value, cost will have a tendency to set the upper limit of value. Because of this tendency care should be taken to use all of the three approaches to value namely, cost, market and income where applicable.

In my judgment the courts have placed a particular emphasis on the element of cost in the determination of fair value, but if cost were the only consideration and assessors relied on it, think of the confusion and inequities that would exist in our tax rolls. A taxpayer would come to the Assessor's Office and claim that his house cost

him x amount of dollars to build, and although the same identical house nearby is selling at a higher price, he believes that his should only be assessed at his cost. Similar experiences are common among Assessors. The public relations aspect of our position lies in explaining how the assessment was arrived at and why value is the measurement and not his cost. This is an important reason why Assessors should have a clear understanding of the differences and similarities between cost and value.

In order for us to understand clearly the nature of cost and the nature of value, it would help to think in terms of economics, the laws of supply and demand and fair market value. Why should something have value at no cost or why should there be cost without value? In an expanding economy, costs have continued to rise without necessarily reflecting a corresponding increase in value. For this reason, the assessor or appraiser must exercise his most critical judgment in dealing with over-improvements and under-improvements. Individuals spend many dollars making improvements and cannot understand why their property will not bring a higher sales price. Taxpayers spending \$10,000 to \$15,000 for an addition or alteration may only increase the overall value of the property \$4,000 or \$5,000. Our State laws speak of full cash value, market value or sound value, with the intent that value be the measurement that assessors are to employ as their yardstick, not cost.

Some Assessors are guilty of employing only cost as the basis for arriving at the value of property. The relative ease with which we can use a cost manual relieves us of applying any critical judgment as to the correct assessment. As taxes play an ever increasing role in the support of local, school and county government, Assessors should utilize all of the means at their disposal, namely, cost, market and income approaches, in the search for value. The people who must bear this growing tax burden have a right to the most professional judgment an Assessor can use in the formation of an assessment. We will never gain the confidence of the public if we insist on arbitrarily assessing a property because a cost manual indicates a building is worth x amount of dollars.

In conclusion, I would like to state that we have at our command numerous tools to aid us in our decision. Let us take advantage of them, improve upon them and maybe then we can look upon ourselves as truly professionals.

LAPEL PINS

For The Assessor of Distinction: Why be embarrassed, frustrated or feel ill at ease because you do not have a "Lapel Pin" of the Association of Municipal Assessors of New Jersey. Secretary, Ted Swarer, still has some available at his low, low price of \$1.00 each. Order now. Contact Theodore Swarer, Box 11, Scotch Plains, N.J. 07076 or call 201-322-5106.

Ted also requests that each County Secretary send him the names and addresses of all 1968 officers.

Conference For Assessing Officers

This year the 1968 Conference for Assessing Officers will begin on June 11th and end on June 14, 1968. The planning committee has submitted the following tentative schedule.

Tuesday, June 11, 1968

- 8:30 a.m. CHECK-IN AND REGISTRATION
9:45 WELCOME TO THE CONFERENCE
Dr. Ernest C. Reock, Jr., Director, Bureau of Government Research, Rutgers - The State University.
Daniel P. Kiely, Jr., President, Association of Municipal Assessors of New Jersey.
Russel T. Wilson, Co-Director, Conference Staff.
10:00 NEW DEVELOPMENTS IN
NEW JERSEY TAX LAW
Speaker — Sidney Glaser, Assistant to the Director, New Jersey Division of Taxation.
11:00 INTERMISSION
11:15 DISCUSSION PERIOD
12:30 p.m. LUNCHEON
1:45 CONFLICT OF INTERESTS
Speaker — Harold Feinberg, Atty., Point Pleasant Beach.
3:00 DEMONSTRATION ASSESSMENTS
(3 concurrently)
A. A new Industrial Assessment
Speaker — Edward McKenna, Assessor, Borough of Fairlawn.
B. An Old Industrial Assessment
Speaker — Albert Galik, Assessor, City of Passaic.
C. Downtown Commercial Building
Speaker — Sidney Margolin, Assessor, Town of Morristown.
5:30 DINNER

Wednesday, June 12, 1968

- 7:30 a.m. BREAKFAST
9:00-12:00 DISCUSSION GROUPS (7)
Leaders: 1. George Acolia
2. Clarence N. Delgado
3. Robert Ebert
4. Alan Hart
5. Daniel P. Kiely, Jr.
6. Edward P. Markowich
7. Russel T. Wilson
12:30 p.m. LUNCHEON
1:30 DEMONSTRATION ASSESSMENTS
(3 concurrently - choose one)
A. Establishing Land Value for Hi-Density Residential Land
Speaker — Richard Nesser, Director of Research and Education, Associated Surveys Co.
B. Garden Apartments
Speaker — James L. Anderson, Assessor, Borough of Point Pleasant.
C. Small Professional Buildings
Speaker — George Acolia, Supervising Field Representative, Local Property Tax Bureau.
3:00 ALTERATIONS AND ADDITIONS
TO STRUCTURES

Speaker — Norman Harvey, City Assessor, City of Englewood.

5:30

DINNER

7:00 p.m. USES AND ABUSES OF THE
FARMLAND ASSESSMENT LAW

Panel: C. H. Fields, Executive Secretary, N. J. Farm Bureau.
O. W. Freeman, Assessment Evaluator, Local Property Tax Bureau.
Lloyd P. Koppe, Assessor, Scotch Plains Township.

Thursday, June 13, 1968

- 7:30 a.m. BREAKFAST
9:00 SOUNDING BOARD
Presiding — Clarence N. Delgado, Assessor, Village of Ridgewood.
10:30 INTERMISSION
10:45 3 Concurrent Topics (Choose one)
A. IMPROVEMENT ASSESSMENTS
Speaker — Edward P. Markowich, Tax Assessor, Wayne Township
B. MOBILE HOMES
Speaker — Marriott Haines, Assessor, City of Vineland.
C. PIPELINES
Speaker — To be announced.
11:45 DISCUSSION
12:30 p.m. LUNCHEON
1:45 BASIC GUIDELINES FOR PREPARING
DEFENSE OF TAX APPEALS
Speaker — Leo Rosenblum, Attorney-at-Law, Jersey City
3:00 ECONOMICS OF THE
PROPERTY TAX
Speaker — Dick Netzer, Dept. of Economics, New York University.
5:30 DINNER
7:30 OPEN EXECUTIVE MEETING
Friday, June 14, 1968
7:30 a.m. BREAKFAST
9:00 USE OF THE BASE YEAR IN
ESTABLISHING ASSESSMENTS
Speaker — Alfred J. Greene, Jr., Assessor, City of Clifton.
Discussants — To be Announced.
10:30 INTERMISSION
10:45 USE OF BASE YEAR (Continued)
12:30 p.m. LUNCHEON

The Sounding Board

Prepare Your Papers Now: Once again this year, at the Rutgers Conference for Assessing Officers, assessors will have the opportunity to present a paper. These papers should deal with particular problems or interests related to the assessment field.

Papers should run from ten to twenty double spaced typed papers. Entries must be submitted to the Bureau of Government Research, Rutgers - The State University, New Brunswick, N.J. 08901 no later than May 24, 1968. A screening committee will select several papers to be read by the author at the session on Thursday, June 13th.

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Open Executive Meeting

This year at the Annual Conference for Assessing Officers there will be an open meeting of the Executive Committee of the Association of Municipal Assessors of New Jersey. This will afford all members present at the conference program a chance to attend an Executive Session of their Association and observe the activities and efforts of the officers and county representatives in their attempts at improving New Jersey assessing practices and bettering the assessors position.

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Assessors Definition

(Continued From Page One)

board footage in a stand of trees, to an engineer's knowledge of the replacement cost of a paper mill, to an accountant's ability to read a motel's financial statement."

"But the local assessors who make these crucial estimates are often elected officials without any necessary qualifications for office. Usually they are part time workers - farmer, butcher, postal clerk, moonlighting policeman. The resulting administration is, in the words of one local-government report, 'so inequitable as to be scandalous.' In an Ohio city, a recent study showed that individual assessments ranged from 12 percent to 108 percent of the properties' true value."

Taxpayers reading that blast probably wondered why their local assessor had not immediately resigned in shame. Well, I guess it is because he is used to being called incompetent and some times, I suppose, he may even think of himself that way. But his resigning wouldn't help much in most cases. There is seldom anyone waiting in the wings who is more competent, and even if there were, it is doubtful anyone would want the job, so vulnerable to the slurring generalities of the word merchants.

Nevertheless, thoughtful people will be asking themselves rhetorical questions about some of the premises in the article. Such as: what qualifications does one need to be denoted expert at judging the minimum population base to support efficient services? And: Is there no relation between the need for services from local government and the number and wealth of the taxpayers within the district which contains the minimum population? And: Is there any relation between the number of people in a given area and the complexity of the appraisal job needed for assessing purposes? And: "If this writer really believes today's problems are too much for amateurs why does he believe his amateur opinion of assessing practice and assessors generally should be given any weight? And: Conceding that many elected officials lack the qualifications for office, - as when we seek a President for the United States

and most applicants are deficient in experience, does being elected necessarily preclude being qualified or attaining the necessary qualifications after election? And: Is it really a fact that "usually" assessors have part time jobs as farmers, butchers, postal clerks, policemen? Are the part time jobs detrimental to the work of the assessor?

Also: Who prepared the "one local-government report" for whom, when, about which local government and for what purpose? And: Was the inequity characterized as scandalous the work of a part time butcher, farmer, letter carrier, policeman or assessor? Or: Was it the work of a qualified appraisal firm, which had deteriorated over the years in spite of the thwarted and frustrated efforts of an informed and dedicated assessor, full or part time? And: On whose scale was the inequity measured and what constitutes a scandalous administration? And what has an Ohio City got to do with small towns anywhere, let alone Bergen County? And: Where did the "recent study" obtain the "true value" with which to compare the assessments at 12 and 108 percent? Were those "true values" the prices at which the property sold, unavailable to and unpredictable by the assessor, or anyone else, until the sale? Was either of the extreme cases cited a bona fide arms length transaction to the extent that the purchase price would unquestionably represent the fair market value to any pair of well informed buyers and sellers?

Can we depend on the public, reading the general indictment, to ask and get answers to this type of question before being influenced by the conclusions? The Bergen Assessors, among whom are qualified part timers as well as full time professionals - some of whom began their careers as part time "amateurs" - reacted to the Digest piece almost to a man, but few discerned it as part of a trend. Now there are many who are wondering if it isn't.

A "preliminary report" has been prepared for a Bergen County Charter Study Committee. It appears the Committee function was to make recommendations on the "modernization" and reorganization of County government in Bergen.

(Continued On Page Eight)

LETTERS

Dear Mr. Kiely:

It is with considerable interest we note your article on the lead page of the December issue of the New Jersey Assessors Bulletin, since you had some rather derogatory remarks to say about the Farmland Assessment Act. We do not know what your policy is regarding the publishing of letters from readers in your bulletin; but if this is possible, we would appreciate your publishing the following statement:

We do not understand why the operation of the Farmland Assessment Act is a major area of concern to assessors. We realize some assessors have never agreed with the intent and contents of the Act; but we do not believe it is the prerogative of an assessor to determine whether or not a tax law is good or bad; rather, it would seem to be the job of the assessors to administer the law in the best way possible. Unfortunately, many assessors have either ignored the law or have deliberately attempted to thwart it, or in other ways discouraged property owners from making use of it.

The word "farmer" does not appear anywhere in the Farmland Assessment Act; and the question of who owns the land has no consideration in the Act at all. The only real criteria in the Act is whether or not the land is being actively devoted to agricultural or horticultural use. The implementing Act spells out specifically the method of deciding whether or not such land is being so actively devoted.

We believe the most opposition to the Act is coming from real estate interests in Union County, and many other counties who have found they cannot force farmers to sell their land to them for development purposes due to confiscatory taxes.

No doubt there has been some abuse of the Farmland Assessment Act; but keep in mind that if any speculators are taking advantage of the Act now, they will have to pay the roll-back taxes for three years when the use of the land changes.

Instead of dwelling completely on the relatively few cases of abuse, we should look at the positive results of the Act, and it now appears the enactment of this assessment procedure on farmland has served to cut the annual reductions in the number of farms in New Jersey about 50 percent. This is a worthwhile achievement in the public interest. We believe New Jersey has the best Farmland Assessment Act in the United States, and that the people in New Jersey were eminently correct when they voted by a two-third vote to adopt the amendment to the constitution.

Yours Sincerely,

C. H. Fields
Executive Secretary
N. J. Farm Bureau

Editors note

We were going to write some comment on Mr. Fields' letter but the job was done for us. The following is an

'Editorial' and a 'Letter to the Editor' taken from the February 8th issue of the HUNTERDON COUNTY DEMOCRAT, a leading newspaper from the rural and farmland county of Hunterdon.

TIME TO LOOK AGAIN

As usual what started out as a program aimed at keeping our society well structured has been warped and twisted into a profit-making device by greedy people.

We're talking about those farmers and the big city land speculators who have taken the New Jersey Farmland Assessment Act and are quickly turning it into a travesty.

To those thousands of Hunterdon County residents who face bigger and bigger tax bills each year, let us explain.

During the early 1960's, with farms going out of business in all corners of the state, New Jersey voters amended their constitution to allow land used for farming to qualify for reduced taxes.

At one point, New Jersey farmers were being strangled by assessors who "went by the book" in their assessment of the value of the land.

The amendment to the constitution and the ensuing law were aimed at allowing farmers (and farm land owners) to apply for much lower assessments based more on what the land might yield to the farmer than what it would go for in the current real estate market.

We have long proclaimed this newspaper's interest in keeping as much of Hunterdon County in farmland as possible.

So naturally, we are completely in favor of the intent of this law.

But it didn't take long for the sharp boys to find the loopholes they needed.

They buy big gobs of Hunterdon's rolling green acres, lease it back to a farmer who produces at least \$500 worth of crops on it, then get the assessment cut to the bare bone.

It's a great way to manage huge real estate holdings at the lowest possible cost while throwing the burden of taxes on the people living in the community.

Of course, these land holders fully expect to cash in when the time is ripe, and while they'll have to ante up some extra dollars for the last two or three years they hold the land, they'll be sure to include those extra charges in the selling price.

It looks like some new, more stringent rules and regulations are needed.

The property tax people and our state legislators need to review this one carefully — and as soon as possible.

For an interesting example — and we know it exists — check out the figures quoted in the letter from the Hunterdon Taxpayers Association on the next page.

TO THE EDITOR OF THE DEMOCRAT:

The Farmland Assessment and Soil Conservation programs, as I believe it to be, were meant for assistance to the poor, hardworking farmer and to help control the markets from an over abundance of crops.

I don't really believe it was intended for, say

Assessors Definition

(Continued From Page Six)

In pursuit of its mission the Committee employed as one of its 'consultants' the firm of Knight and Gladieux, who prepared the preliminary report as a synthesis of what the consultant believed was "the consensus of the committee with his own political philosophy for the guidance of the Committee in drafting the Charter."

The preliminary report was circulated only to members of the Committee, with one copy available for study at the office of the Board of Freeholders. Abstracts were passed out prior to a public hearing (by the Committee). The condensation summarized the complete report. It was written by two members of the staff of the Record, whose publisher is Chairman of the Committee. The section of the report dealing with assessment and taxation, even in condensed (and milder) form, was enough to arouse the Bergen Assessors again. A committee of Assessors was appointed to study and comment on the proposed changes as they affected local assessment of taxes.

The Assessors' committee made a study of the unabridged portion of the report dealing specifically with their functions. In their report they did not let a single statement or opinion stand unchallenged. The degree of distortion and error they noted was incredible. The following in bold face type are excerpts from the consultant's report, followed by the Assessors' committee comment:

1. JOINT RESPONSIBILITY FOR ASSESSMENT OPERATIONS

The rules and procedures by which all property tax assessors must act are promulgated by the Local Property Tax Bureau of the State of New Jersey.

This is not true! The Local Property Tax Bureau has as its chief function, assistance to the local Assessor. Field Representatives in each County are primarily responsible for the investigation of the usability of sales data in the field for the Director's sale ratio study. Other personnel are engaged in studies designed to update and cost trend the Assessors appraisal manual. The Bureau has been an arm of the Division of Taxation to distribute but not to enforce rules and regulations promulgated by the Director. Refer Annual Report Division of Taxation 1966, page 14, at the top, also page 78, middle of page: "Local Property Tax Bureau, Scope of Bureau Activities":-

"The Local Property Tax Bureau is a Service Bureau established within the Division of Taxation to implement the State's responsibility for local property tax administration."

The state established boards within each county which represent the Local Property Tax Bureau for purposes of hearing appeals and establishing equalization rates among the rolls within each county.

This is a ridiculous statement. County Boards of Taxation are established by State statute. They do not represent the Local Property Tax Bureau or vice versa. They are autonomous boards. The

Local Property Tax Bureau has no appellate function and does not administer county equalization rates.

The Bergen County Board of Taxation is thus a state agency and reports directly to the state government.

The County Board of Taxation is no more a state agency than the local assessor. The Board is autonomous and reports to no one under the statutes. Except in the very broadest sense that all municipalities, counties, their agencies and employees are creatures of the state, there is no administrative connection between the County Board and any state agency.

While the Secretary (of the County Board) is appointed by and reports directly to the Board of Taxation, he also is responsible to the proper authorities in Trenton for the manner in which he conducts his activities.

The Secretary reports only to the Board. No Trenton authority has jurisdiction.

He receives almost all of his rules and procedures and professional guidelines from the state. Thus the chief administrator for the assessment activities is in the difficult position of reporting to one board for direction, depending on another board for funds with which to conduct his activities, and reporting to still a third official for professional guidance. It is a complex and tenuous arrangement.

The restructuring of the administrative organization will not dissolve any of the relationships mentioned. These three sentences are so expressed that they suggest problems of greater gravity than they possess. Moreover, the recommendation to include the Secretary in the Department of Finance doesn't eliminate the complexity of the relationships.

EDITOR'S NOTE; — If the consultants were describing the position of the Assessor and his relationship with County Board, Governing Body, Local Property Tax Bureau and the Director of the Division of Taxation, to say nothing of the Division Tax Appeals, Superior Court and Supreme Court, from whom flow the case law by which he must abide, or the Attorney General and Municipal Attorney on whom he depends for often conflicting legal counsel, they would have been more accurate. The committee's criticism was milder than it might have been. Under the law, the Secretary has only the authority delegated to him by the Board under its own rules and procedures, he is paid by the County Treasurer a salary fixed by the Board of Freeholders but on warrants signed by the President of the Board of Taxation. He is answerable only to the Board and his responsibility extends only to the statutory functions of the Board itself, completely under their direction, guidance and approval.

Due to the method of selection and the small size of the municipalities, this system almost assures that the position of assessor will be filled by staff who are seldom professionally qualified to conduct property evaluation.

See Chapter 44 laws of 1967 - The assessor qualification and certification bill - and Chapter 180 laws of 1967 - The joint assessing district bill.

To overcome the shortcomings of such a system, the County Board of Taxation under-

takes to provide training courses, manuals and other guidelines for the use of the assessors.

The County Board of Taxation in Bergen County does not now and has never provided training courses or manuals for the use of assessors.

The excerpts above, illuminated by the assessors' committee comments are but samples of the whole report, but they are typical of the basis on which the recommendations for change were made. The most significant change the consensus of the Chapter Committee proposed was to make the Secretary of the County Board County Assessor and give him fifteen assistants to replace the present 119 Bergen County Assessors. The experts contend that 15 full-time professionals could "do a far better job" and "such a move could only result in a higher standard of professionalization, increased accuracy in the assessment rolls, economy and efficiency in operation, and a more equitable distribution of the tax load among the citizens".

Now one can understand Bergen County Assessors not believing that, but, considering the evidence of incomprehension, should anyone?

The Bergen County assessors are to be complimented on the effort to offset some of the ignorant or malicious material we are all subject to by uninformed Report writers or "consultants". It seems they are going about it in a correct and professional manner. The study made by their committee was not given wide circulation for the publicity it may have obtained for the Association, with the attendant danger that the motivation may have been characterized as self serving. It was delivered to the County Board of Chosen Freeholders, which had appointed the Charter Study Committee. Hopefully, the Freeholders will scrutinize the rest of the consultants' and the Charter Study Committee's report and recommendations very carefully. It may turn out that all the research was as faulty as the section dealing with assessors, in which case the recommendations will have been discredited.

Fortunately, not all reports, opinions and articles are derogatory. Local government and Assessors do have a few friends articulate enough to be heard. One of these, one of the foremost authorities in the State in the field of taxation, a student of local property taxes in particular, a Staff Director of the New Jersey Commission on State Tax Policy, Dr. William Miller, had this to say at the Public Policy Forum on New Jersey Local Government at Rutgers in September 1967:

"Our local tax system, heavily dependent on the real property tax it is, especially within the last ten years, has become one of the best administered in the country.

"We have, organizationally, a primary assessment district which is the municipality. You may not know what a blessing it is until you live in an area with overlapping assessments on the same piece of property. We have one assessor and one tax roll for all levels of gov-

ernment. That is a very good thing.

"We have come to the point where the assessors themselves have established competence as a goal and are going to a substantial degree in the direction of forcing the members to achieve competence through in-service training programs, qualification, and official certification, as recently authorized by statute. The State administration has played an important role in developing competence and confidence, and we have a very good system of State Law and administration to provide for equality of assessment."

Unfortunately, such friendly remarks get limited circulation. They do not contain manipulated statistics and they are not intended to stimulate public indignation at imagined ills, for whatever political advantage that might generate. At least we have the reassurance not being alone in our opinion affords us. On that basis let us expose uniformed or malicious critics for what they are at every opportunity.

S. M. A.

Just a brief reminder that since all the books have now been filed and the back log of accumulated November and December work cleaned up, why not start the ball rolling towards achievement of the SMA designation.

The Society of Municipal Assessors was formed in 1961 to raise the professional standards of the New Jersey assessor, for like other professions assessing requires special study, skill and knowledge.

The submission and acceptance of two narrative property appraisals is the first step up the ladder, followed by the successful writing of an examination.

Special work sessions are now being formed to assist those in gaining admission to the Society. For information contact Harley W. Hesson Jr., Chairman, SMA Certification Committee, Municipal Building, Glen Rock, New Jersey.

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Letters

(Continued From Page Seven)

for instance, a farmer who owns two or more farms and to help control the markets from an over abundance of crops.

I don't really believe it was intended for, say for instance, a farmer who owns two or more farms with over 200 acres with some of it in the soil banks, then rents acreage from two or more farms, reducing their assessments to farmland assessments, at a great loss of revenue to the townships.

By taking the minimum of \$500 worth of crops or pasture from the lands makes this land available for the farmland assessment even though the owner of the property neither farms, lives near or on the property, yet is able to reap the benefits of a great reduction in taxes without an appeal.

Say a person has farmland that was assessed at \$98,000 for 85.67 acres and \$2,000 for buildings at a tax rate of \$2.45 equaling \$2,450 in taxes. By growing \$500 in crops, he makes this land available for the farmland assessment. Land value drops down to \$19,375 for the 85.67 acres; \$2,000 for the buildings, making a net tax valuation of \$21,375.

A reduction of \$78,625 in land value and a reduction in taxes to \$523.69, a loss of \$1,926.31 in revenue for the township.

Does this sound fair and equitable when a farmer has acreage of his own in the soil bank and rents other properties to reduce the revenue? Who has to make up the difference?

I still think these programs were to assist the poor farmers and not speculators looking for a way to hold onto their properties with the least amount of taxation, waiting for the right moment to develop.

BETTY YARD,
Publicity Chairman,
Hunterdon County Taxpayers
And Citizens Association

"The Search For Equity"

The I.A.A.O. film entitled "The Search for Equity" has been leased for one year by the Association of Municipal Assessors of New Jersey.

The film establishes the reasons for the use of the property tax, then briefly discusses the basic assessing and appraisal techniques required to provide equitable distribution of the tax.

The film does not attempt to teach how to appraise property but does stress the factors which affect value, the assessor's role in interpreting value and the assessor as a professional man in search of equity. It is very effective for public relations use. It will be made available to all County Associations, training courses, speakers and other responsible groups interested in assessment administration.

For information on obtaining this film, please contact Edward Markowich, Municipal Building, 475 Valley Road, Wayne, N.J. 07470. Phone 201-694-1800.

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1968 Northeastern Regional Conference of Assessing Officers

This year the Northeast Regional Conference Of Assessing Officers will be held at Wentworth-By-The-Sea, New Castle, New Hampshire, from May 26 thru 28.

Clarence Delgado, Assessor, Ridgewood, New Jersey has been appointed Educational Program Chairman. Following is the tentative 1968 program.

Monday, May 27, 1968

11:00 AM - General Session -

FILM "SEARCH FOR EQUITY"

2:00 PM - 3:30 PM - FOUR PANELS
THREE APPROACHES TO VALUE:

Moderator: Robert Day

Cost Approach — Edw. McKenna, Assessor, Fairlawn, N. J.

Market Approach — Lloyd Koppe, Assessor, Scotch Plains, N. J.

Capitalization — Alfred Greene, Assessor, Clifton, N. J.

DEPRECIATION: Various Phases

Moderator: Francis Heberger, Assessor, Guilford, Conn.

Panel:

Margaret Jeffers, Assessor, Jersey City, N. J.

Edw. Markowich, Assessor, Wayne, N. J.

Norman Harvey, Assessor, Englewood, N. J.

FARMS: Preferential Treatment

Moderator: Henry Fenner

Panel:

Marriott Haines, Assessor, Vineland, N. J.

Laurence Gauthier, State Dept. Chief of Property Tax, Montpelier, Vermont

William Conway, Concord, New Hampshire

INFLUX OF INDUSTRIAL PLANTS TO SUBURBIA:

Moderator: David Saliba, Boston, Mass.

Panel:

Herbert Shay, Assessor, Fairfield, Conn.

J. Philip Berquist, Assessor, Newton, Mass.

John Henshey, Massachusetts

3:30 PM - 5:00 PM - Panels to Repeat

Tuesday, May 28, 1968

10:00 AM - DEMONSTRATION APPRAISALS

Small Apartments — Richard Nesser, Appraiser, Plainville, Conn.

Small Industrial Plant — Sherwood Vermilya, Assessor, East Hampton, Conn.

Small Professional Bldg. — Geo. Acolia, L.P.T.B., Trenton, N. J.

2:00 PM - 3:30 PM - ROUND TABLE

DISCUSSIONS

Data Processing — Noel Haywood, Assessor, Bridgewater Twp., N. J.

Bulk Plants —

Planning Boards — Daniel P. Kiely, Assessor, Plainfield, N. J.

Nursing Homes — Melvin Maidlaw, Assessor, Bangor, Maine.

Transitional Land Problems — Harry Loudback, Assessor, Cherry Hill Twp., N. J.

Building Assessors Service Groups — Richard Prendergast, Assessor, South Windsor, Conn.

Maintenance of Assessments — Claire M. Young, Assessor, Tenafly, N. J.

Public Relations — H. Randolph Brokaw, Assessor, Hamilton Twp., N. J.

IAAO Educational Programs — Wayne Kietzer, Training Dir., Chicago, Ill.

3:30 PM — LECTURES:

Legislators of the Assessor, Moderator — Bernard Shadrawy, Dist. Dir. Assessing Dept., Boston, Mass.

Peter Moraites — Majority Leader, N. J. Assembly.

Richard Hansen — New Hampshire

Anthony Grosso — Shewsbury, Mass.

Francis Kirwin — East Hartford, Conn.

Assessors Qualification Bill

Moderator — To be selected

Samuel Befarah — Asbury Park, N. J.

Walter Birck — Old Saybrook, Conn.

Sales Ratio as it Effects the Assessor

Moderator — To be selected.

Peter Torre — Bellville, N. J.

Sidney Glaser — Trenton, N. J.

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Veterans Deduction Committee

As we go to press, Fred Mott, Chairman of the Veterans Deduction Committee, reports that 164 out of the 567 taxing districts in the state have indicated a desire to participate in this program. Over 100 have already filed their lists of serial numbers with Fred and the rest should be filed by April 1st.

The response has been most gratifying to the Committee which believes that money can be saved the taxpayers by the elimination of duplications. Although the cut-off date for filing has been set at April 1st, the volume to be processed may make an extension necessary. Any Assessor who has not yet taken advantage of this opportunity and who now wishes to should call Frederick Mott, Chairman of the Committee, at 201-891-3311.

ESSEX COUNTY

The following named Assessors have been appointed to fill the unexpired terms as Secretary and Treasurer in the Essex County Assessors Association.

Secretary: Peter Torre, Assessor
Belleville, N.J.

Treasurer: Ralph Todd, Assessor
West Caldwell, N.J.

These appointments have come about because of the retirements of Charles Klein, Maplewood, and Harold Weber, North Caldwell, who previously held these positions.

Association of Municipal Assessors of New Jersey

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