

# New Jersey



## Assessors

## Bulletin



AFFILIATES



VOL. 8 No. 2

Association of Municipal Assessors of New Jersey

JULY, 1969

### ON PROPERTY TAX EXEMPTIONS

The following statement was prepared on behalf of the ASSOCIATION OF MUNICIPAL ASSESSORS OF NEW JERSEY and presented at a hearing of the Legislative Committee studying property tax exemptions.

Members of the Assessors Association have been following with interest the testimony of other groups and of affected individuals before the committee. In many instances it was observed that the assessor, as the man at the end of the line, received some, if not all, of the blame, in cases where dissatisfaction with the current law was laid to maladministration. Many assessors have reacted with righteous indignation to this criticism and vigorously reject it.

Full property exemption begins with an Initial Statement, filed by the property owner in duplicate with the assessor, and is continued from year to year by the filing in every third year of a Further Statement. In each of these cases the owner is called upon to cite the statute under which he is entitled to exemption and to affirm the characteristics of his organization or congregation which qualify him to be considered for the benefit, together with an affidavit as to the actual exclusive use of the premises for the authorized purposes. A copy of the statement must be filed by statute with the County Board of Taxation. The general mandate of tax law provides each County Board with all the authority it would ever need to review these statements on its own initiative and to question the validity of the claim itself, or the discretion of the assessor in allowing the claim.

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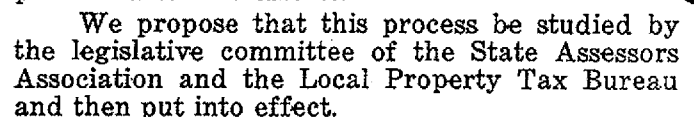
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Although the assessor may be observed on  
(Continued On Page Four)

This paper was presented at the SOUNDBOARD session of the 1969 Conference for Assessing Officers. The SOUNDBOARD was originated as a forum for assessors to present their personal views on subjects related to the assessing field. The subject matter presented herein is the opinion of the speaker and is not necessarily that of the Bulletin.

On the other hand, suppose the assessor places a couple of million dollars of revaluation figures on his books which will help to bring his values up-to-date, the application of this addi-

On the other hand, the revaluation figure total **would** be added to the divisor in developing the tax rate for the municipality. In this manner the community is not penalized as pointed out above, and as shown on the following chart.



# The Assessor's Image

J. M. Lukowiak, Assessor  
River Edge

This paper was presented at the SOUNDING BOARD session of the 1969 Conference for Assessing Officers. The SOUNDING BOARD was originated as a forum for assessors to present their personal views on subjects related to the assessing field. The subject matter presented herein is the opinion of the speaker and is not necessarily that of the Bulletin.

Most thoughts for a program such as this start as random thoughts concerning the need for a certain program, for certain training, or for certain conduct, and usually these thoughts just rattle around in no particular sequence until a catalyst comes along to put them into a mold, and they then appear as I hope my thoughts will appear to you here this afternoon.

The catalyst in this case was a letter from our State President, Dan Kiely, in which he told all County Presidents that the Sounding Board would be part of our annual program at the June conference at Rutgers this year.

In his letter our President said that the Sounding Board is a vehicle for anyone with a message, a pet peeve, or an achievement he is proud of and wishes to advertise. He also said that this was a chance for any Assessor to say his piece, or in the vernacular of the day, our modern President said "Or to do his thing."

In the past, most of the emphasis in our training sessions, conferences, magazine articles, etc., has necessarily been on the technical aspects of our job of appraising and assessing, and I say without criticism that very little time has been spent on training, or the discussion of a very important part of our job with the people who come to our office, with the people whose homes and whose places of business we visit, and in our day to day continual meetings with the members of our community as we go about the business of just living in a community. I refer to our public relations, and the image that we project in our Taxing Districts.

I would like to discuss with you three areas where public relations are important and, but not necessarily in their degree of importance, because with public relations there is no such thing as a degree of importance. Every meeting is important. Anything that you say that can hurt a person can never be recalled.

This is such a wide area that we can do little more than skim the surface here today in the time allotted, but if we can plant a small seed where it is necessary then some good will have been done.

The three basic categories that I would like to discuss are: (1) what I would like to call your office manners; (2) what I would like to call your inspection manners; (3) what I would like to call your community relations.

Let us take the first "office manners", and I might say that your office manners not only concern you but they concern everyone in your office who represents you in meeting the public. Let us consider incoming telephone calls. These should be answered promptly and you will make the first impression a favorable one by answering on the first ring, if possible, and be ready to talk to the caller. Identify the office and yourself like "Assessor's office, Miss Brown speaking". This is time saving and business-like and gets the confidence of the caller for it indicates that you are a responsible person ready to be of service. You will find too, that proper identification prompts the caller to identify himself. Always keep your message forms handy and record the details accurately and completely while they are being given by the caller. Making a mental note often results in the message being incomplete or in the rush of business you may forget to relay it.

Request rather than demand information. Such phrases as "What is your name" or "Repeat that, I didn't get it" sound abrupt when compared to "May I have your name, please?" or "Would you mind repeating that information?"

When it is necessary to leave the line for any reason tell the caller what you are going to do and about how long it will take. Expressions such as "Hold on" or "Just a second" tell the caller nothing. If you know you will be away from the telephone longer than a minute or two, offer a call back stating the approximate time you will call. Upon returning to the line alert the caller to the fact that you are back by using a suitable introductory phrase such as "Hello sir",

or mention his name. If there has been an unavoidable delay, apologize. End your call in the same sincere and agreeable way you began it by saying "Good - bye" pleasantly. Let your telephone visitor know that you were glad to be of service, or sorry you were unable to help. Let the caller hang up first. If you want your callers to "hear" your charm, your voice should always be warm, friendly, sincere, and an invitation to the caller to call again. Only you have complete control over what you say and how you say it. Always remember, what comes out of the telephone depends on what you put into it.

These suggestions that have been made for answering a telephone call will also apply when you make a call. Proper identification of the caller is very important. Nobody likes to play guessing games with a voice on the telephone that wants information or wishes to talk to someone unless it first identifies itself. So make it a point that when you place a call to say that "this is so and so" the "such and such a city" "Tax Assessor calling".

Time does not permit us to go into all of the minute details on the proper telephone techniques that can be used to project your proper image to the calling public, but I am sure that you get the general idea.

And now I would like to discuss with you briefly what I refer to as "Office Manners".

An Assessor's success in community relations depends largely upon skill in oral communication. Talking with people skillfully influences them positively. Lacking skill, the influence may be neutral, negative, or even irritating.

The real skill in "talking" lies in listening, which develops information and insight, and here are some of the principles on the subject of talking with people.

STEPS	SKILLS
1. Put at Ease	Pleasing Manner Listening Responses
2. Encourage Talk	Lead - Off Questions Listening Responses
3. Follow - Up Key Thoughts	Open Questions Listening Responses

In discussing the foregoing I think everyone knows how to put someone at ease. We may refer to it as establishing rapport. It's a friendly greeting, a hearty handshake, an offer to hang up someone's coat, the proffering of a chair, an inquiry as to "how are you getting along with your harmonica lessons?", "How is your lovely wife?", or discussion of something in which we may have a common interest, asking a question pleasantly and listening. A listening response is a very brief comment or action made to another person which conveys the idea that you are interested, attentive and wish him to continue. It is made quietly and briefly so as not to interfere with the speaker's train of thought, and it is usually used when the speaker pauses. There are a number of listening responses:

NOD	Nodding the head slightly and waiting.
PAUSE	Looking at the speaker expectantly without doing or saying anything.
CASUAL REMARK	"I see," "Uh - Huh," "Is that so," "That's interesting," etc.
ECHO	Repeating back the last few words the speaker said.
MIRROR	Reflecting back to the speaker your understanding of what he has just said. ("You feel that . . .")

Questions may be phrased in either of two ways: as "Open" Questions, or as "Closed" Questions.

OPEN	Questions are "Open" when phrased so that they cannot be answered "Yes" or "No". For example: "How do you feel about this?"
CLOSED	Questions are "Closed" when phrased so that they can be answered "YES" or "No". For example: "Do you feel this is fair?"
OPEN	What When How Who Where Which
CLOSED	Is Do Has Can Will Shall

A key thought is an idea, opinion or experience expressed by the person talking which appears to the listener to have an important bearing upon the matter under dis-

(Continued On Page Eighteen)

## On Property Tax Exemptions

(Continued From Page One)

occasion to have bent on account of political pressure, in cases where he has laid his career on the political line by denying an exemption, frequently County Boards have been known to allow those very exemptions without legal justification.

The public press occasionally ridicules an exemption which is on the books of a municipality, not because of an assessor's action but because of the property owner's persistence in carrying his case to the courts. Even assuming the court's proper interpretation of the statute and the validity of the claim in a strictly legal sense, when it is publicized it is made to appear that the assessor had allowed the seemingly incredible benefit.

Obviously assessors can not disclaim all responsibility for weak administration or errors in judgment. This rebuttal of such charges is not designed to excuse assessors but to avert the committee's concluding that the core of the problem lay solely with the assessors and their administration of the statutes.

### PRESENT LAW CAN WORK

If the committee concludes that fundamentally the philosophy of granting municipal tax exemption to religious, charitable, educational, cemetery and eleemosynary purposes is sound and desirable, the present statutes need revision in two minor areas.

First, language in the law intended by its generality to comply with the constitutional requirement for "general laws" but which winds up only ambiguous should be eliminated. The classic example of this kind of language is the phrase that must have been referred to this committee before: "— all buildings actually and exclusively used in the work of associations and corporations organized exclusively for the moral and mental improvement of men, women and children." If such phrases are to be left in the law, the definition should not be left to the assessor or, if it is, the legislative meaning of moral and mental improvement should be made unmistakably clear and concise in the law itself.

Second, explicit mandatory review procedures should be added which point up the contingent responsibility of both the County Boards and the Division of Taxation. To that end, appellate procedures arising from the denial of an exemption at any level should be in the province of the courts and require the participation of the Attorney General in the defense of or as counsel to the administrative agency which denied the claim.

### MORE SUBSTANTIAL REVISIONS TO LAW

If the committee in its wisdom recommends, and the Legislature adopts, more stringent requirements for those entitled to exemption, it would be necessary to meet the attendant administrative problems. For instance, if it were decided that Church or Temple buildings should be subject to ad valorem property taxes, it would be necessary or at least very desirable to establish by law

the basis on which a valuation should be made. The ordinary or judicial concept of market value as a criterion would only remotely apply to this very special type of property.

The legislature should make clear its intent for the guidance of administrators, the courts and claimants alike, with regard to the requirement for exclusive use in income producing property owned by qualified non profit corporations. A determination by law rather than discretion is needed to resolve the question of whether the use of income from real property for the chartered purposes of a qualified non profit corporation constitutes the exclusive use of the property by the corporation within the intent of the law. Too often much weight has been given to the worthiness of the owners' undertakings and none to the precise interpretation of the law or the effects of encroachment on commercial competition. If permitted at all in any proposed revision, the frequency or type of casual rental should be limited by concise terms.

Whatever property is left exempted by any far reaching revision of the statutes should be subject to public scrutiny by publication other than solely in the back of the annual tax list. The public might also be informed by a statement on the annual bill for taxes, much in the manner of the deduction allowances for senior citizens and veterans. The amount allowed for these deductions now appears in a list with the amounts needed to satisfy the school, county and municipal budgetary requirements, as the sum to be raised by taxation and the basis for the tax rates. If the exempted property were added into the tax base and a rate struck on that aggregate value, that rate could be printed on the tax bill as a reflection of the difference between it and the actual rate. The taxpayer then could easily compute for himself the cost to him for the exemptions granted to others.

Administratively the assessor could cope with the problems of valuations of property now exempted and develop uniform techniques for doing it more easily than he can cope with the often social or judicial distinctions involved in the determination of who is eligible and who is not under the present law. Moving any remaining eligibility judgments upstairs may be the core of successful administration. We envision the formation of a commission or agency of state government to whom a claimant would apply for a certification of his eligibility, which would then be treated in the same way by the assessor as the Initial and Further Statements he now receives. In such a scheme, hearings on petitions for certification would be held and opportunities for the municipal assessor, attorney or governing body to be heard would be provided. Also, if the worth or value of exempted property may be deemed important, evidence of that value might be required at the hearing, to be introduced as part of the claim on information supplied by the applicant.

We have become aware from time to time of other suggestions with varying merit, such as

the exemption of buildings entitled thereto by provisions similar to those in presently effective legislation, and the return to taxability of the land involved, at the uniform values applied in the vicinity.

The most attractive suggestions are those which have the effect of equalizing the burdens sustained by municipalities which have greater than their share of exempted institutions, by providing compensation for the benefit from other revenue sources at the state level. The inherent justice of this proposal lies in the fact that the burdens imposed by state law affect some municipalities far more adversely than others in the erosion of their tax base and the burden would be shifted to the level of government responsible for the cost.

In the matter of Senior Citizen allowances, and Veteran's deductions, assessors are aware of mounting pressure for increase. The pressure often as not, is articulated as a protest against higher taxes, or at least against the obligation for senior citizens to pay a share of the taxes based on the value of the property. In many cases the affected taxpayers are those with fixed modest incomes whose present benefit has been overcome long since by rising costs and the inflationary spiral. The best solution we can offer to this dilemma is the liquidation of the substantial capital gain enjoyed by most property owners. Frequently there would be enough to offset tax increments. By crediting the tax on a homestead in part or in full in exchange for a lien in the amount so credited, the tax burden would be deferred and collected from the estate after the demise of a qualified owner. In the State of Oregon, such a principal is employed, with the funds of the State Employees' retirement system obtaining the lien by paying the municipality's tax bill. The fund has a safe lucrative investment, the municipality gets a full tax payment, and the owner is relieved of at least some of the financial pressure in his declining years.

Finally we want to emphasize that we do not claim to represent the sum or consensus of the feelings of individual assessors on exemptions. We have attempted to objectively focus on the administrative improvements we believe should be implemented. We can provide further consultation in this area at your request to supplement the expertise of your very able member Mr. Wilson.

We are at your service.

## VALUING A CHURCH?

In the Discussion Group, lead by Clarence Delgado, held during the Rutgers Conference, the subject of how to appraise Churches came up. Del wishes to inform all those concerned that a publication called "Architects Exchange, 1878 Springfield Ave., Maplewood, N.J." contains good data on Churches and other unique type structures.

## Where To?

William T. Bailey, Assessor  
East Brunswick Twp.

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The Certification and Tenure bill signed into law was a milestone for the New Jersey assessors. All the work to have this become a reality is a credit to our state organization. Without their persistence and loyalty to the organization the legislators in Trenton would not have acted.

But where do we go from here? It is gratifying to be recognized as a professional in the field of tax assessing but in order to go forward we must improve our stature. This can only be achieved by further education and bringing new ideas to our state organization.

It is my opinion that our organization has not accomplished anything since certification. Perhaps I am wrong in making this statement since I am only a member and not personally involved with the state organization.

However, here are some areas in which I believe we should become involved.

(1) **Possible Tax Convention.** From all indications there will be a tax convention in our state next year. It is important that we have a member on this committee or plan on having some of our members attend these sessions. Who knows the local tax problem better than the tax assessor?

(2) **Exempt Property.** If we assessors examine our own jurisdictions we can find a lot to be desired. I have heard of different assessors exempting properties or improvements because other assessors have done so, or worrying if they do assess what will be the outcome on election day. Does this make it right? Professionals of our stature should not do this. It only brings us a step backwards. There have been laws written to govern our exempt property and directives from our counties telling us what we should do but a few choose the easy way out. All of the present publicity could have been minimized if we assessors were performing our job according to state statutes.

We might say to ourselves what difference does it make if the value placed on our exempt property is comparable or not. To our individual districts and the average taxpayer it means nothing presently but suppose legislation is enacted to have municipal taxes paid or have counties deduct the total value of exempt property before equalizing. This could happen and in my opinion it would be a very good idea. Also, there is always the possibility of a taxpayer using the value placed on an exempt piece of property as a comparable.

(3) **County Assessing.** This is the first step  
(Continued On Page Seventeen)



The



Gazette

By Walter W. Salmon, S.M.A.

"Having a great time, wish you were here."

This is probably the world's most used phrase by those sojourners who escape the rigors of everyday hum-drum existence, but it is particularly one which the S.M.A. members and guests could have used without "batting an eye."

The much publicized First Annual Conference of the S.M.A. held on April 25th, was as promised, a gigantic success which started with some warm words of welcome by S.M.A. Chairman Harley Hesson, and the introduction of Messrs. DeCavalcante, White, and Hanna, newly ordained members of the Society.

"Pete" Elwood, famous for those "future worth" and PW tables of the same name, spoke of the importance of the use of the tables as applied to income producing properties; and warned that they should not be used as a part of the cap rate. He strongly recommended that a special training course be instituted for a complete study of the use of the tables toward a motivation of the Assessor to make full and meaningful appraisals. Mr. Elwood explained the use of the tables by Real Estate investors in creating favorable tax-shelters. Questions were answered in the inimitable a'la Elwood style.

Ask an S.M.A. about Pete's "Talking frog."

"Larry" Lasser, our friendly legal fellow, opened his remarks with the statement that—"Assessment should be handled as an art rather than a mathematical and technical project." There's a heap of good sense in that statement if you will just think about it for a moment. He discussed the rapidity of changing values, the major cause of assessment practices of days gone by, bringing more up-to-date procedures into sharp focus. Mr. Lasser expounded on the several steps of appeal from the County Board to the Appellate Division. There have been proposals for a "full time" Court of Appeals to replace the present Commissioner form of hearing. He recommended strongly that the Assessor should present all of his evidence fully and properly beginning with the lowest Court, and on thru upper courts, due primarily to the existing conditions that one Court will analyze what happened in the previous hearings.

William B. Kingsley, acting Director of the State Division of Taxes, was a guest of the Society and gave voice to a few remarks, in addition to his humble thanks for being invited. Mr. Kingsley invited us, and recommended that we visit his office to discuss the possible correction of the Grantor's List. He stated further that he would like to see a

committee organized to discuss the theories relative to when a revaluation should be ordered; and a possible revision of the Useable and Non-Useable Sales categories.

Our keynote speaker for the day was the Honorable Edwin B. Forsythe, State Senator from Burlington County. Senator Forsythe was one of the sponsors of the Certification and Tenure Bill for the Assessors. Senator Forsythe, as usual, demonstrated his faith in the Assessors of New Jersey by his remarks that "I am proud of the Assessors of New Jersey, and recognize the extremely important job that you are doing, and I feel that New Jersey is way out front in the field of Assessment." He continued by saying that we, the Assessors of New Jersey, must work and fight to stay in the position as professionals. Senator "Ed" expressed his concern over the burgeoning tax burden, stating that it is never popular to suggest the shift of a tax burden, however, it is emphatically important that State Aid must move out to help relieve some of the load on the home owner. He, the Senator, would like to see new legislation relative to School Aid, and a regional approach to stabilization of County and Local government. His concluding remarks reminded us that we are in an age of specialization in the professions that care for our social, economic and legal problems. We cannot back away from the financial problems of tomorrow that are already showing up today.

This writer had the pleasure of summing up

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the day's activity and thanking our speakers for being a part of what we hope will be the beginning of more SMA Conferences to come.

Nope, I didn't forget it. We had a personally guided tour of the Naval Air Station at Lakehurst. We got to see where our federal tax dollars are going, how well they are distributed, and most important to meet some of our gallant men in the Armed Forces.

### CONFERENCE NOTES

June 17-20 were the dates of this year's Conference for Assessors at Rutgers. As usual the S.M.A.'s were in evidence all over the Campus.

Not only were they on the Campus but they were in the lecture sessions as well. Like the bad penny, they kept turning up everywhere.

Two brush up sessions were moderated by "Ed" McKenna, and yours truly, with, at last count, 45 interested Assessors attending having a genuine interest in the S.M.A. study content. We hope that they all will find time to attend future sessions as qualified applicants and ultimately to earn the S.B.A. designation. "Ed" McKenna put the reasons for being an S.M.A. as well as I have ever heard. First, there is a tremendous "personal satisfaction" in completing the exam and doing the narrative appraisals. Second, the upgrading of one's professional standing can, and we hope legislatively in the future, demand compensation commensurate with both ability and job requirement.

On Thursday and Friday, the 19th and 20th, applicants spent a few pensive hours perusing the exam questions. We wish them well with their results and hope that they too will go on to the narratives," how about you guys who are holding out on those appraisals. Remember, there is a time limit on how long you may defer completion. Don't throw away what you have already accomplished. Get to work! If you need help, ask! There are plenty of us to help you.

### OFFICIAL NOTICE

The Annual meeting of the Association of Municipal Assessors of New Jersey will be held at 2:00 P.M. on Wednesday November 19, 1969 in the Viking Room - Tower Floor - Haddon Hall - Atlantic City, New Jersey

### Special for The Assessor

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1969 Rutgers Conference

### Ode To Assessors

To find a value good and true  
Here are three things for you to do  
Consider your replacement cost  
Determine value that is lost  
Analyze your sales to see  
What market value should really be  
Capitalize your income net  
For land and buildings, but don't forget  
If these suggestions are not clear  
Copy the figures you used last year.

### Report From Rutgers

Wm. G. Rae

The Sixteenth Annual presentation of the Conference for Assessing Officers opened on the Douglass College Campus of Rutgers, Tuesday, June 17. The four day program was attended by approximately 140 experienced tax assessors, members of several County Tax Boards and other interested officials.

The Conference presented a varied schedule of lectures, discussions, demonstrations and workshops on advanced appraisal techniques and current assessment problems.

The opening day was designated "County Tax Board Day" and members of County Boards of Taxation participated in sessions concerning problems from the county point of view.

From all indications, the Conference for Assessing Officers was a success and contributed significantly to assessment administration.

Through the cooperation of Rutgers and the New Jersey Assessor's Association, the proceedings of the Sixteenth Annual Conference will be published and made available to all interested persons.

The Automatic Data Processing programs will be expanded this fall and a list of the places and dates will be available in the near future.

The Bureau of Government Research has received a request to revise the Tax Assessor's Handbook and pending approval of a Federal Grant this revision has been tentatively planned for the 1969 - 1970 academic year.

## Proposed S. C. Law Changes

Frederick H. Mott

We are all aware of the short comings of the present Senior Citizen's law, some of which are:

1. Confusion on the part of, and in some cases actual hardship to, the Senior Citizen who must file a pre-tax year application with the Assessor and a post-tax year affidavit with the Collector.
2. Added work load and expense to the Assessor's and Collector's offices. Cost unknown.
3. Cost to the other tax payers for the \$80 subsidy to each Senior Citizen who qualifies, justifiably or not.
4. Inadequacy of an \$80 deduction on an \$800 tax bill for the Senior Citizen who really needs help of some kind.
5. Loss of self-respect to the Senior Citizen who must file a pre-tax year application with who feels he is taking a pauper's oath.

Assemblyman Richard DeKorte, of Bergen County, Chairman of the Committee on Taxation is preparing legislation which will provide, generally, as follows:

1. Elimination of the present \$80 deduction.
2. A residential (non-income producing) property owner attaining the age of 65 may file proof of age with the collector — once.
3. The Assessor will file his tax book in the usual manner with no reference to Senior Citizens.
4. The Collector will include with each tax bill to a Senior Citizen who has filed such proof of age a notice to the effect that the Senior Citizen has qualified and MAY elect on or before the due date of each quarter's bill to defer payment of that bill. At the same time he will sign a simple statement that it is his domicile and pay one year's interest at 6% on the amount deferred. Annually there after unless he subsequently chooses to pay the bill, he will pay one year's interest. Failure to pay the interest will be default and the lien may be foreclosed.
5. The Collector, each quarter, will remit to the state the total interest collected and any repayment of deferrals.
6. The Collector will also bill the state for the total of taxes deferred for that quarter and the state will remit that amount to the collector.
7. The deferred taxes, (which may not exceed the owner's equity), remain a lien in favor of the municipality until the owner dies, (provision is made for his spouse) moves, or sells. In any of these events the Collector will collect the total deferred taxes and remit to the state with his next quarterly report.

The advantages are:

1. No burden to the tax payers which presently is in direct proportion to the number of Senior Citizens in each municipality.
2. No cost to the Assessor's office.
3. The Collector's cost very little more than presently.
4. The Senior Citizen may defer in accor-



1969 Rutgers Conference

## THE NEW ERA

*Professional Assessors*  
- Recognize -

GROWTH, RISING VALUES  
NEW CONSTRUCTION  
ADDITIONS

— OBTAIN —

FULL VALUATION THROUGH  
REVALUATIONS WHICH

REDUCE TAX RATES  
MEET RISING BUDGETS

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dance with his own financial need with out accepting charity.

5. Provides substantial relief for the Senior Citizen who needs it most.
6. Provides a no risk investment of state funds.
7. Everyone involved benefits without cost except the heirs, who do not deserve a subsidy at the tax payer's expense.



## Executive Committee Meeting

Minutes of the Executive Committee of the Association of Municipal Assessors of New Jersey — Held June 19, 1969 at the Conference of Assessing Officers, Rutgers, New Brunswick, N.J.

The meeting was called to order by President Kiely at 7:40 P.M. There were 27 members of the Executive Board present. As this was an open meeting to all Assessors in the State of New Jersey, there were 59 present beside the Executive Board.

President Kiely opened the meeting explaining the duties and the purpose of the Executive Board.

The Minutes of the previous meeting were accepted as submitted.

**TREASURER'S REPORT:** There was a balance as of June 19, 1969 in all accounts of \$9,738.64.

Clarence Delgado reported on the coming Convention to be held in November in Atlantic City.

Clarence Delgado also reported on the North East Conference to be held in Cherry Hill for 1970. It was agreed to extend invitation to the IAAO with no monetary obligation on the part of the Association. Delgado stated the accommodations would be American Plan, and in order to make the Conference a success, it would be necessary to raise \$11,000.

Ralph Melero reported on the March & Chowder Outing. It is to be held at the Old Homestead Country Club in West Long Branch, New Jersey on Friday, August 29, 1969.

It was reported that Vice President, Harry Louderbach is recuperating after a serious illness.

Marriot Haines reported on Bill S805 for Senior Citizen Exemption Forms. Application to go to Assessors instead of the Collector, consolidating the two forms into one. This has been referred back to the Committee so it can be released and a vote on the bill held on July 14, 1969.

**FINANCE:** Cliff Ryerson, Chairman, reports there is a membership of 702 to date.

**PUBLICATION:** Charles Fouquet, Chairman, requested Wm. Brewer to report on the Bulletin. Bill stated the next issue of the Bulletin would

(Continued On Page Sixteen)

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Many thanks to my friends for stopping by at the Convention



**TAX BOARD COMMISSIONER COMMENDED:** Mrs. Georgian Kolber, Ocean County Tax Board commissioner is presented with her seventh certificate by Dr. Ernest C. Reock, Jr., Director of the Bureau of Government Research at the Sixteenth Annual Conference for Assessing Officers held at Rutgers University. Mrs. Kolber was commended by Conference Chairman Russel T. Wilson, left, and Daniel P. Kiely, Jr., right, president of the New Jersey Association of Municipal Assessors for her continuing efforts to improve herself as a public official. Successfully completing courses in municipal assessing practices and procedures is a requirement for participation in the annual seminars held at Rutgers under the sponsorship of the Bureau of Government Research and other state agencies. Mrs. Kolber completed her seventh year of attendance at the week long conference which ended Friday.



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### **A Committee Report On Equalization Of Business Personal Property Revenue**

A report of a committee to study the equitable conversion of business personal replacement revenues for county tax purposes. This report is rendered to the Executive Committee of the Association of Municipal Assessors of New Jersey at the request of President Daniel P. Kiely, Jr. The committee met in the office of Edward A. McKenna, Assessor of Fair Lawn, on the 9th of April. The Chairman suggested that we explore the problem in four aspects: (1) That we recommend to leave it as it is; (2) that we recommend reverting to the 1968 equalization method; (3) that we recommend a payment to the County of a percentage of the money we received from the State based on the percentage the County received in our high year; or (4) that we recommend that it be removed entirely from the Table of Equalization.

After a discussion of these alternatives the committee agreed that the "equalization" of replacement revenues for the apportionment of county taxes produces an artificial result which does not reflect an equitable distribution of the county levy. It was also unanimously agreed that the present method is totally unsatisfactory.

The committee agreed that the following circumstances should be considered in formulating a recommendation:

1. Replacement revenues for business personal local taxes are not increasing although the budgetary demands of municipalities, counties and school districts are, at a very rapid rate.
2. While increased rates and increased assessments in local taxing districts raise more taxes each year from real estate, the local receipts from State taxes on business have been constant.
3. The technique of converting this constant amount of receipts to ratables, using a formula which utilizes real estate assessment/

price ratios, produces an ever increasing ratable base subject to higher and higher County tax rates. Obviously there is no relationship between a real estate ratio and the revenue received from business taxes levied by the State.

4. It may thus be seen, although the State pays a municipality a fixed sum, the levy of the County keeps increasing proportionately as a direct result of the application of the equalization formula and higher rates.

Inasmuch as local property taxes have reached crisis levels, the most desirable action for the Legislature would be to increase the State contribution of replacement taxes to local taxing districts. One way to do this would be to relieve the local district of contributing any of the replacement revenue to the County, with an amount of replacement revenue to be paid directly to the County by the State, in order not to increase the County levy against real estate. We are proposing that the conversion of replacement revenue to ratables be removed from the equalization tables and treated as "anticiated revenue."

The payment to the County by the State could be based on its best year of receipts on account of local business personal property taxes as collected from local districts between 1964 and 1967. If the State is unwilling to assume this additional burden, then the municipalities' liability to the County should be as limited as the State liability to the municipalities, by deducting from each local payment the percentage that was paid the County in that year used to determine the local payments.

Of the bills already introduced, that which comes closest to a solution we can endorse is A-643. This bill would revise the formula for payment to the local district from the State by making it a percentage of the amount to be raised by taxation rather than a fixed dollar amount and provides a stable relationship for municipal payment to the County through elimination of the capitalization process. It differs from our recommendation only in that the County would still receive its replacement revenue from the municipality rather than the State. It would serve to couple

(Continued On Page Fifteen)

# The Cost Approach

Edward A. McKenna, SMA, SREA, CAE  
Borough Assessor, Fair Lawn, New Jersey

"The Cost Approach to Value." It is probably the most widely used approach by Assessors throughout the country. None of us would deny, it is an integral part of all our records. However, some of us place an undue emphasis on this approach without regard to the other two approaches to value, namely, Market and Income. To be well informed we should make a study of these other approaches. We should also take the opportunity of seeing and listening to demonstration appraisals utilizing all three approaches, whenever presented.

As we all know, the beginning point in the Cost Approach to value is the use of some Cost Manual. This can be either a State issued Manual as we have in New Jersey, which by the way is a very good one and is kept up to date by the Division of Taxation, or a Cost Manual issued by a large appraisal organization. The costs used in the Manual include both indirect cost and direct cost, such as Labor, Materials and Architect's fees. The methods of estimating cost are generally classified as follows:

1. **Quantity survey method**, used mainly by building contractors. It is an expensive and time-consuming method as well as a highly technical one. This method provides the most accurate and provable estimate and is based upon the builder's original procedure of determining the quantity and quality of each type of material used, estimating the labor hours required, and applying unit costs to the material and labor quantities plus all items of overhead and profit.
2. **Unit-cost-in-place method**, is based upon the use of installed prices for the various building materials upon the basis of units that are easy to apply, such as the square foot, cubic foot, per room, per bath, etc. It is a modification of the quantity survey method previously described. The base unit prices can be broken down into the main components of the building, such as walls, floors, roofs, windows, foundation, etc. and is easily recognizable when we think of a brick wall costing "X" number of dollars per square foot-in-place and including all items of direct and indirect costs and profit.
3. **Square-foot and cubic foot method** is the method of estimating total cost by comparison with other similar buildings where the costs are known and are reduced to per square foot costs of ground area or floor area or per cubic foot content. Square foot and per cubic foot costs are also obtained through cost manuals prepared by engineering firms and appraisal firms. Most manuals used by assessors are a combination of the square foot and cubic foot method and the Unit Cost in Place Method.

Once we have selected the proper class of building and have added and deducted from the

base specification the rest is relatively simple. The difficult part comes in determining the proper depreciation to be applied to this particular building. I would like to emphasize at this point that the most important part of the Cost Approach to Value is the estimate of depreciation.

Primarily this depreciation is "past depreciation or all of the depreciation that has taken place up to the date of appraisal. The basic assumption in the Cost Approach is that a new building will have more advantages over an old one and we must estimate this advantage or loss in value in terms of accrued depreciation. Depreciation is broken down into five types: 1, curable deterioration, 2, incurable deterioration, 3, curable functional obsolescence, 4, incurable functional obsolescence, and 5, economic obsolescence which is generally incurable.

Curable deterioration is that loss in value due to wear and tear that should be corrected on the date of appraisal. It is economically wise to correct these items now. Usually these items are most easily observed. Painting, decorating, etc., a prudent purchaser would probably repair these items after buying. They are all estimated in the "cost to cure" method.

Incurable deterioration is that loss in value due to wear and tear which would not warrant repair on the date of appraisal. It would be un-

(Continued On Page Fifteen)

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## LEGISLATIVE REPORT

The following bills have been introduced in the State Legislature and relate to Assessors and Taxation in general. The listing of these bills is only to call them to our readers' attention and does not imply that they are either endorsed or opposed by our State Association.

### S 564 Sears

Mar. 10—Exempts from taxation all real and personal property owned by a joint labor-management trust fund for exclusive purpose of establishing or operating a medical clinic. (FN-Tax loss \$1,489).

Mar. 10—Taxation Com.

### S 574 Rinaldo

Mar. 10—Requires that 10% of the net receipts derived from the sales tax revenues be annually appropriated, commencing with the fiscal year 1970-71, as State aid to municipalities for general municipal purposes.

Mar. 10—County & Mun. Gov't. Com.

### S 577 Beadleston

Mar. 10—Exempts from taxation any paraplegic veteran whose injury was service-connected at a time other than during a war.

Mar. 10—Taxation Com.

Mar. 17—Reported, 2nd reading.

### S 633 Bateman

Mar. 26—Designated the "State School Incentive -Equalization Aid Law," revises State aid to schools.

Mar. 24—Education Com.

### S 666 Coffee

Apr. 2—Designated the "Senior Citizens' Tax Reimbursement Act," provides for reimbursements for property taxes and rents constituting property taxes paid by senior citizens for homesteads.

Apr. 2—Taxation Com.

### S 682 McDermott

Apr. 2—Provides for a tax revision convention; appropriates \$250,000.

Apr. 2—Taxation Com.

### S 758 Sears

May 1—Provides for the taxation of bank stock when banks have branches in more than 1 county; effective July 1, 1969.

May 1—Banking & Insurance Com.

### S 768 Rinaldo

May 1—Permits a cemetery association to lease unused cemetery land for non-profit, religious, educational or charitable purposes.

May 1—No Ref., 2nd reading.

### S 805 Beadleston

May 12—Permits an application for senior citizen deduction to be filed with the assessor of the taxing district on or before December 31 of the pre-tax year.

### SCR 50 Schiaffo

Mar. 17—Proposes an amendment to Article VIII, Section 1, of the constitution, adding paragraph 5 to prohibit increases in the taxes on resident real property owned by citizens age 65 or over and having an income less than 5,000 per year.

Mar. 17—Taxation Com.

### SCR 51 McDermott

Mar. 17—Proposes an amendment to Article VIII, Section 1, paragraph 1 of the constitution to permit land used for recreational or park purposes to be assessed according to the value such land has for such use.

Mar. 17—Agric., Cons. & Natural Resources Com.

Apr. 10—Reported, 2nd reading.

Apr. 10—Taxation Com.

Apr. 21—Public hearing held.

### SCR 53 Coffee

Apr. 2—Proposes an amendment to Article VIII, Section 1, Paragraph 4 of the Constitution to grant senior citizens reimbursement of taxes on homestead property or a percentage of the rent, if they are non-homeowners.

Apr. 2—Taxation Com.

### SCR 54 Miller

Apr. 14—Proposes an amendment to Article VIII, Section 1 of the constitution to freeze the amount of real property

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taxes attributable to school costs paid by senior citizens with an income of \$5,000 or less.

Apr. 14—Rev. & Amend. of Laws Com.

**A 580 Evers**

Feb. 17—Abolishes the Division of Tax Appeals.

Feb. 17—Taxation Com.

**A 625 Evers**

Mar. 17—Provides for compensation in lieu of taxes to municipalities for loss of revenue for any amount of park land over 10% instead of 35% of the municipality.

Mar. 17—County & Mun. Govt. Com.

**A 653 Ferrara**

Mar. 17—Defines the Vietnam conflict with respect to the veterans' tax deduction.

Mar. 17—Law, Public Safety & Defense Com.

**A 715 Mabie**

Mar. 24—Excludes social security benefits from "income" of senior citizens for real estate tax deductions.

Mar. 24—Taxation Com.

**A 732 Evers**

Mar. 24—Prescribes the qualifications of the members of the county boards of taxation.

Mar. 24—Taxation Com.

**A 735 Evers**

Mar. 24—Provides that all tax appeals on property assessed over \$50,000 shall be under the exclusive jurisdiction of the Division of Tax Appeals.

Mar. 24—Taxation Com.

**A 799 Azzolina**

Apr. 2—Provides for tax exempt of a home and lot of a veteran having any 100% service connected disability.

Apr. 2—Taxation Com.

**A 825 Ferrara**

Apr. 10—Provides for the assessment of real property containing any building destroyed, consumed by fire, demolished or partially demolished.

Apr. 10—Taxation Com.

**A 952 Ewing**

May 1—Permits a municipality to enter into a contract with a religious, charitable or hospital corporation providing for payment to such municipality in lieu of taxes.

May 1—Taxation Com.

**A 953 Ewing**

May 1—Exempts from taxation any senior citizen group housing facilities, nursing or convalescent care facilities owned by religious charitable or hospital organization.

May 1—Taxation Com.

**A 994 DeKorte**

May 5—Provides for a tax deferral on the residence of individuals over 65 years of age, establishes a Deferred Tax Fund.

May 5—No Ref., 2nd reading.

**A 1053 Wilson**

May 20—Provides that any portion of the real property owned by the Port of New York Authority not required as space for the transaction of the business of the Authority and used for purposes other than the purposes of the authority authorized by law shall not be exempt from taxation; effective upon enactment of similar legislation by the State of New York.

May 20—Taxation Com.

**ACR 63 Doyle**

Mar 17—Proposes an amendment to Article VIII, Section 1 of the Constitution by adding paragraph 5 that the tax on a homestead shall not be more than 7% of the gross income of the owner.

Mar. 17—Taxation Com.

**ACR 75 Doyle**

Apr. 10—Proposes an amendment to Article VIII, Section 1, paragraph 1, of the Constitution to permit the Legislature to enact laws which provide for a 5 year waiting period before the value of real property improvement can be assessed and taxed.

Apr. 10—Taxation Com.

**ACR 82 Haelig**

May 5—Creates an 8 member bipartisan commission, 4 Senators, 4 Assemblymen to study the feasibility of requiring the Highway Authority and the Turnpike Authority to pay to municipalities an annual use fee in lieu of property tax payments.

May 5—Taxation Com.

## I A A O AWARDS

Each year at its International Conference on Assessment Administration, IAAO presents awards in several categories to various members. Some of these awards are for individual achievement, while others honor group accomplishment. The purpose of the awards program is to encourage more active participation in association activities and programs as well as to promote a higher degree of professionalism.

Entry blanks and copies of the rules for the various awards are available from IAAO headquarters, 1313 East Sixtieth Street, Chicago, Illinois, 60637 or from your state representative, Edward McKenna, 8-01 Fair Lawn Ave., Fair Lawn, N. J., 07410.

### MOST VALUABLE MEMBER

This award is presented to the member who has been most effective in promoting the interest of IAAO during the 12 month period preceeding August 1 of the current year.

The most valuable member is selected by the Awards Committee on the basis of written statements describing the work performed by each candidate.

### DISTINGUISHED ASSISTANCE AWARD

This award is conferred on the organization, agency or body, public or private, which gives the most effective assistance to the cause of assessment administration in the areas of organization, personnel, procedure or technique.

### ZANGERLE AWARD

This award, established in 1963 in honor of John A. Zangerle, IAAO's third president, is presented to the state or provincial assessing association, IAAO chapter or other agency affiliated with the association, which has published the best periodic bulletin or newsletter during the preceding year.

### McCARREN AWARD

This award was established in 1957 in honor of the late Kenneth J. McCarren, IAAO's second president. It honors the state, provincial or territorial representative who has made the greatest effort in promoting IAAO during the 12 month period prior to August 1 of the current year.

### DONEHOO ESSAY AWARD

All IAAO members are eligible to participate in this contest, which recognizes the top essays on

(Continued On Page Sixteen)

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## The Cost Approach

(Continued From Page Eleven)

wise to correct the items now. The problem of incurable deterioration is that it takes place at different rates of speed for many items in the building. These items are estimated in the "effective age life" method. This simply means that

$$\frac{\text{Replacement Cost}}{\text{Total Life}} \times \text{Number of years used}$$

Example:

$$\frac{\text{New Roof}=\$640}{20 \text{ yr. life}} \times 10 \text{ yrs.} = \$320 \text{ or } 50\% \text{ Deprec.}$$

On long life items it can be estimated by use of economic life as:

$$\frac{10 \text{ yrs. (Eco. life used)}}{50 \text{ yrs. Total life}} \times \text{Replacement Cost}$$

Example:

$$\frac{10 \text{ yrs.}}{50 \text{ yrs.}} \times \$7,000 = \$1,400 \text{ or } 20\% \text{ Deprec.}$$

Curable functional depreciation is that loss in value due to some deficiency in style, plan or layout within the property which should be corrected on the date of appraisal.

It is claimed that the best experts on this type of depreciation are housewives. They notice when looking at houses, no closets, poor ventilation, etc. This is also measured by the cost to cure method.

Incurable functional obsolescence is that loss in value due to some deficiency in style, plan or layout within the property which would be uneconomical to cure. Faulty workmanship is the common cause of this type of depreciation which would be costly to correct. These items are usually measured by a loss in rental value processed into an over-all value by the use of a gross rent multiplier.

Example would be:—Rent is \$150. per month instead of \$160.

The rental loss is \$10. multiplied by the rent multiplier of, say 110. The loss in value is \$1,100.

Economic obsolescence is that loss in value due to external causes or that there is some adverse influence outside the limits of the property which affects it. These items are also generally estimated on the basis of a loss in rental value.

Example:—A property rents for \$130. per month, but if situated in a more desirable location, it would rent for \$160. per month. The loss in rental value is \$30. per month. If the gross rent multiplier is, say 110, the loss then would be \$3,300. If the land amounts to 25% of the over-all value, then the loss to the improvement would be \$2,475 or 75% of the entire loss.

I realize in mass appraisal technique we do not go into this too deeply. However, all of the percentages we place on our appraisal cards can be defended and explained to taxpayers. I have been pointing out the mechanics and advantages of the Cost Approach, but, what are the disad-

vantages? The disadvantages are that, if we as Assessors, say that a building is "X" amount of years old historically, and because of this, the depreciation should be "X" amount of dollars, then who needs us? A computer can do the same mathematics as we can. Only better. This means that Cost Approach is very adaptable to data processing and can be misleading. I think all of us should be aware that if we use Cost Approach exclusively in our office, we may be uniform but we have not met the statutory requirement of market value.

In summary, the four steps in the Cost Approach are:

1. Estimating the land as if vacant.
2. Estimating the current replacement cost of the building as if new.
3. Estimating the total depreciation from all causes.
4. Adding the depreciated value of building to land value.

## A Committee Report

(Continued From Page Ten)

the State obligation to local budgetary demands and thereby increase the cost of the program to the State.

This report therefore concludes that a choice should be made by the Executive Board between (1) seeking to have a new bill introduced which would remove replacement revenue funds from equalization tables and which would provide for the State paying directly to the Counties replacement revenue by the same formula it now uses to replace local district revenue (with or without diminishing the local payment)—OR—(2) supporting A-643 which would provide more money for municipalities and stabilize the ratable base for the County levy without removing it from the equalization table, although it would require more money than the State has been able to collect from the replacement taxes, thus jeopardizing its passage.

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## Executive Committee Meeting

(Continued From Page Nine)

be soon after this Conference.

**AL WEILER AWARD:** Charles Taylor, Chairman, requested if any County has any members eligible for this award to contact him.

**INTERNAL AFFAIRS:** Randy Brokaw, Chairman, had no report.

**S.M.A.:** Ed McKenna reported for Chairman Harley Hesson. To date there are 34 S.M.A.'s; candidates — 30; and 6 to take the examination at Rutgers on June 20, 1969. The next examination will be held in Atlantic City during the Convention in November.

**I.A.A.O.:** Ed McKenna stated the Assessors Association of New Jersey should support Al Greene for Directorship in the I.A.A.O.

John Murray reported on the study of salary ranges. The response has been good and will report next meeting.

**OLD BUSINESS:** Russel Wilson spoke on guide lines for standardization of revaluation. Next meeting to be held on June 24, 1969 in Trenton N.J.

President Kiely honored the request of Middlesex County Assessors that Louis Schick be given an opportunity to speak before the Committee. Louis Schick stated his case before the Executive Committee, requesting money to help defray expenses incurred when he went to court to defend his position.

After a lengthy discussion, a resolution was made by Russel Wilson as follows: to rescind the action of the Committee and refer it back to them for reconsideration, and to report back at the next meeting. Resolution carried.

President Kiely requested the Committee to meet with the Executive Board and Louis Schick after this meeting.

Fred Mott spoke on Bill A994 to increase the benefits of the Senior Citizen. The cost of this bill was unknown and needed study.

The question of a Data Bank was discussed and President Kiely appointed William Bailey of East Brunswick, N.J. chairman.

There was a discussion of Real and Personal Property which leaves many gray areas. President Kiely to appoint a Committee for study.

Russel Wilson stated we may have another case where the municipality was trying to reduce the salary of the Assessor.

Motion made, seconded and carried that the meeting be adjourned at 9:00 P.M.

The Executive Committee with the Committee for Louis Schick reconvened to continue the meeting. Mr. Schick was requested to leave the room. After a general discussion, it was agreed to have the three committee members with Milford Levenson interview Louis Schick and report back at the next Executive meeting. Louis Schick was called before the committee for interview and the Executive Committee meeting adjourned at 9:10 P.M.

Respectfully submitted  
Theodore Swarer, Secretary

**I.A.A.O.** (Continued From Page Thirteen)  
assessment administration. Members who wish to submit entries must do so by August 1.

Contestants may write on any topic dealing with assessment administration. Essays should be from 3,000 to 6,000 words and should be typed, using double spacing. The author must submit four copies of his essay to the IAAO office.

## "M" (MEMBERSHIP) AWARD

This is one of the new awards, established by the Executive Board at its December 1968 meeting.

This award is to be given to the IAAO member who, in the opinion of the Awards Committee, contributes most to the promotion of new membership—regular, associate and subscribing.

## "I" (IDEA) AWARD

This is the second new award, established at the December 1968 meeting of the Executive Board, to recognize new ideas developed by IAAO members with respect to public information and office procedures and techniques.

Entries for this award may be submitted in two categories:

(1) Ideas in Public Information—to be conferred on the assessment office or department which has developed the most effective, original idea with respect to the dissemination of information regarding the jurisdiction's function of the taxpayer.

(2) Ideas in Office Procedures—To be conferred on the assessment office or department which has developed the most effective, original idea resulting in some improvement in the office procedures previously employed.

## BERNARD L. BARNARD AWARD

This award was established in 1966 in memory of IAAO's first research director, the late Bernard L. Barnard.

The award is presented annually for the most outstanding article on assessment administration appearing in the Assessors Journal, IAAO's quarterly professional publication.

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## WHERE TO?

(Continued From Page Five)

in doing away with home rule. We assessors must unite to stop this movement. We should make the taxpayers in our towns aware of the problems county assessing would create. The taxpayer would have to go to the county with an assessment problem. Without the local assessor there would no longer be the personal touch. We will hear pros and cons about county assessing but personally I think the bigger the government the more expensive to operate and I think it is our obligation to our taxpayers to have a say in this change in home rule.

(4) **Conflict of Interest Hearings.** I wonder if all professional people are doing this?

(5) **Better Cooperation from our Division of Taxation.** I for one have requested information from the state by telephone and in writing and to date no one has made a decision. They seem to just bounce the ball around.

(6) **Revision of Chapter 51, Personal Property.** Since the state is now collecting this money it appears to this assessor that more and more rateables are becoming personal property. The state is making the tax base smaller and smaller every year with their rules governing personal property. I have come to the conclusion that the personal property tax bureau is only trying to substantiate their existence. We must have a better relationship with the bureau and this can only be accomplished by getting involved with the laws defining personal property.

What else must we do to better our standards? It is my opinion that new courses should be started in Rutgers for the assessors. There should be a course on building inspection. How many assessors know blueprint reading, construction procedures and materials. This course does not have to be in detail. I know from personal experience that the course I took when I was the Building Inspector in East Brunswick has been a great help to me in assessing. A course in the principles of municipal tax collection would also be beneficial. We should know more about the mechanics of tax sales, tax title liens, redemptions, tax foreclosures, etc. Another course should be on zoning and planning. How much do we know about this important tool of our profession. I am confronted with zoning and planning problems constantly. More education in these fields will improve our professional standards.

Finally, we assessors in the state should set-up an "Information Bank". This could be done on a state and county level. This "bank" would be a great asset to assessors in establishing values. Information on national chain stores would be centralized and when an assessor had this type of building to assess he would go to the bank to locate a municipality which already had this chain store and use this data as a guide for his assessment. Comparable sales information would not be the problem that it is today if we had this information centralized. I recently had a state appeal on a garden apartment which at the time was the only garden apartment in my town.

Fortunately, Middlesex County Board of Taxation was very cooperative and I was able to locate such information as sales of comparable units, income and expense statements, etc. Each county could set-up a bank with the cooperation of each assessor and when information was needed an assessor could contact the secretary of one or more counties for whatever help he needed. To help pay for this program, the county organizations as well as the state organization could increase their dues.

An "Information Bank" would not be difficult to set-up. A standard form mailed to each assessor requesting pertinent information on national chains, such as Seven Eleven, Robert Hall, MacDonalds, Carvel's supermarkets, etc.; apartments, garden or high-risers; special use buildings, such as motels, health spa's, radio stations, etc. This information could then be coordinated by a committee. The committee would establish a card file system with the pertinent information on each card. A typical example would be as follows:

I, as assessor, have a new Seven Eleven coming into my district. I would call the bank to find other towns where Seven Eleven stores are located, call the assessor, and review the assessment with them to arrive at uniformity. It might be necessary to meet with the assessor or assessors for a more detailed analysis but the extra effort would be worthwhile.

With this bank in operation, the assessor would be able to make a fair and comparable assessment. At the time of appeal, the assessor could present a much stronger case. With all this data available we would have to be considered expert witnesses. You might say we are considered experts but this can be proven by direct testimony at an appeal hearing.

I would hope that the state organization and each county organization as well as each assessor examine his conscience and come to the conclusion that these ideas are for the betterment of all.

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## The Assessor's Image

(Continued From Page Three)

cussion.

It is, therefore, a thought expressed which the listener wants to remember in order to refer back to it, if necessary, later in the discussion. In normal conversation some key thoughts are hidden in casual comments or very brief references.

Mr. Chester B. Starks, of Seattle, Washington, writing in *The Review*, a publication of the Society of Residential Appraisers, offered some do's and don'ts which are applicable not only to the independent appraiser who must make a good impression for the sake of his appraisal business, but to the Assessor who is either the appointed or elected official in his community who does appraisal work for assessment purposes. When an Assessor inspects a property he should realize that he is in the owner's castle. It is the owner's home. The owner himself, or his wife, or a representative, may be present and every word or action should be carefully weighed. The Assessor should never criticize or belittle the home. He can always find something he can speak well of. His actions on the premises and the statements made during his inspection must not be offensive in any way.

Ask questions in a diplomatic way. Be careful of the words used and even the inflections in your voice that might indicate a critical attitude. Weigh the information obtained by use experience and the observations which you will make.

If the neighborhood is not to your liking, keep it to yourself. If questions are asked you, handle them diplomatically and without indicating a critical attitude.

Do not make commitments or indicate your findings at the time of your inspection. Your position requires that you give due consideration to all the information obtained on the premises and elsewhere. This cannot be done in a few minutes. Assessors generally can be criticized as either talking too little or talking too much. If they talk too little they do not show an interest in the property and they do not obtain valuable information. If they talk too much they may be inclined to criticize the property and the neighborhood. Assessing is a profession and the conduct of the Assessor should be kept on a professional basis.

If in calling at a home for the purpose of assessment no one is found at the home to admit him, the Assessor should be sure to leave his card and thus notify the occupants that he had visited the premises for the purpose of making an inspection for assessment purposes.

When you are inside the premises you must be diplomatic and as a for instance, as you start down the basement stairs, the housewife may say "We are ashamed of our basement. It seems as though we never have time to keep it in order". Why not come back with a comment similar to "You ought to see mine". Yours may be tidy or it may be worse than the one under inspection. The housewife will assume that you mean yours is worse than hers. If you bump your head on a joist going down the stairs, count ten, smooth out your hair, and without comment make a special note on your property record card. In most cases the housewife leaves you at the head of the stairs and you have the basement to yourself. This gives you time to check the basement and construction of the house very carefully and an opportunity to review the notes about the inspection of the first and second floors. Maybe you have missed something and will want to return for a second look before you leave the property.

A few pleasant words when you leave are important. This action takes you out of the cold "meter reader" atmosphere and gives you an opportunity to ask questions concerning the efficiency of the heating plant, the neighbors, shopping facilities, etc., which you already know, but which will indicate your interest in the property. One thing more which an Assessor must possess is a high degree of the powers of observation. He must be able quickly and accurately to observe not only the good points of the property but the defects of every nature regardless of size. The Assessor cannot spend all day going over a piece of property with a fine tooth comb, but he should never be guilty of failing to observe items which can and will be important in the decision that is finally made from the information rendered in his assessment report.

It is also important when inspections are required on commercial properties that you write or call to make a date

that will be satisfactory to the commercial or industrial taxpayer for a full and complete inspection of their premises. We find frequently on these types of properties that when we have made a mutually acceptable date there is usually a guide or someone who is knowledgeable with the premises with keys to open locked doors who are made available to us. On the other hand we have found that some of these people are quite disturbed when we arrive having made no previous appointment. We could go on and on in this particular area which we have called "inspection manners", but I think it can be boiled down to the golden rule of "do unto others as you would have them do unto you."

We are now going to discuss our third and last area of public relations which we call "your community relations".

Public good will is vitally important to the Assessor's office, and building this good will means earning public understanding and acceptance primarily through high service standards and the efficient operation of our offices.

High service standards and the efficient operation of our offices alone, however, are not enough. There also exists an increasing need for the Assessor through his office force and himself to reflect human, warm, personal interest in the community in which he operates and one effective way the Assessor and his staff can do this is by taking a greater interest in community affairs.

Unfortunately, it cannot be assumed that the public is always adequately informed about the duties and functions of the Assessor's office and experience clearly shows that one of the best ways to improve the Assessor's image is through effective well planned community activities at the local level. But to be effective these activities must become an important part of the day to day job for the Assessor and his staff.

Successful community relations depend upon the interest and concern of the Assessor for the action he takes in the community in:

- (1) Serving. Provide efficient friendly service that includes doing "little things" not fully required and avoid rigid application of routines.
- (2) Sharing. Participate in worth while community activities.
- (3) Knowing. Be aware of how the community feels about our office and the way it functions. What the community thinks of us and what it expects.
- (4) Informing. Tell the community what we do and why, so people understand our work and our intentions.

Most attitudes of the public are grounded on personal experience with our office. Incidents connected with the type of service that the Assessor's office renders both favorable and unfavorable can make decided and lasting impressions on people. Whenever there is a loss in favorable attitude it is usually because the rigidity of our operation has not been counter-balanced by personal consideration. On the other hand, whenever an exceptionally favorable attitude is found it is usually because the taxpayer recalls some warm, friendly experience. Furthermore, studies show that when people understand our office they are more apt to sympathize with our problems, be more tolerant of our short-comings, and appreciate more fully the services that we provide. So, it is up to the Assessor and his office to look critically at his overall behavior through the eyes of the taxpayers and take or recommend action which will lead to a more friendly, interested and efficient office operation. And the Assessor should be sure that the public is aware of what he and his staff are trying to do, how the Assessor's office operates, what its requirements, plans and problems are. Imparting such information in interviews, discussions, talks, and so forth, will not only improve your immediate standing in the community but develop impressions that can make for a more favorable and lasting image.

Expressed in the taxpayer's language, ours should be an office that gives excellent service, pleasantly and promptly, and is concerned with the public interest.

### MEMORANDUM

In closing, I would like to recommend to the University, to the Local Property Tax Bureau, and to our Association, that they give consideration to pamphlets and other written material, as well as course instruction on the public relations portion of our Assessor's duties.

## Al Weiler Award

Each year at the Annual Meeting of the Association of Municipal Assessors of New Jersey held in Atlantic City, the "Al Weiler Award" is presented to an assessor for outstanding achievement in or contributions to the assessing field.

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