

The Gloucester County Assessing Pilot

A Closer Look

A proposal to eliminate municipal tax assessors in favor of county-based assessors' offices raises as many questions as answers.



Legislation creating a pilot program in Gloucester County that is designed to merge municipal tax assessors into a countywide office was signed into law by Governor Jon Corzine in mid August of 2009. The program, which proposes to eliminate municipal tax assessors in favor of a county-based assessor's office, has been embraced by some as the answer to high property taxes in New Jersey and as a model for the sharing of services to reduce the cost of government. In reality, the pilot program raises many questions.

Is the merging of property assessment into a countywide office really a breakthrough in shared government services?

The irony is that of all municipal services in the State of New Jersey the office of tax assessor comes closest to being a model for shared services, with many smaller municipalities already hiring their assessor on a part time basis. It is not the solution for every municipality but it definitely works in the right situation.

Will countywide assessment really result in savings for all municipalities?

This is debatable. In fact, costs of items such as the defense of tax appeals will be shared by all municipalities in Gloucester County. This means that smaller towns, containing no industrial or large commercial properties, such as oil refineries, regional malls and Brownfield or Superfund sites, will pay a pro rata share of defending the tax appeals. These costs may well have a profound negative impact on property taxes for non-hosting municipalities and their taxpayers with no benefit or stake in the dispute. County operating costs may also shift, further penalizing cost efficient municipalities.

The fact that the State is funding the pilot program lessens the financial impact in Gloucester County.

State funding will not be the case if countywide assessment is adopted throughout the State, a situation that is inequitable at best and may result in higher costs for municipalities.

Is it possible that countywide assessment will result in less revenue for some municipalities?

This is probable and most likely when it comes to such revenue sources as added assessments. These assessments bring significant incremental revenues to municipalities, revenues that largely stay with the municipalities and are not shared with boards of education and other special taxing districts. It is extremely unlikely that these revenue opportunities will remain at historic levels under the new county system.

Is loss of revenues the only negative for municipalities?

The reorganization also bucks the New Jersey tradition of home rule, which can have a number of negative implications. For example, a county based system of tax assessment removes the power of local governments to assess property owners on the basis of the value of their real estate holdings. Under this new system local governments are reliant on third parties to assure they receive their fair and equitable share, a considerable leap of faith. Are local elected officials ready to allow outside third parties to control their ratable base? Elected officials will be wise to think twice before giving up this most basic aspect of home rule. It is one genie they don't want to see out of the bottle. Power isn't the only benefit of home rule. Elected officials who don't realize that already, will soon enough, when the first round of complaints come from constituents who miss being able to see the assessor at the municipal office building and resent having to travel to a county seat. Absentee assessment will mean less face-to-face involvement with taxpayers and voters.

What impact will county-centered assessment have on other municipal functions?

All assessors share information and work closely with other municipal departments, including but not limited to the tax collector, the building department, the engineer, the department of public works, the police department and the Mayor's office. That relationship will for the most part be lost under the new system. It is also likely that such functions as maintaining tax maps, processing deeds, meeting COAH record-keeping obligations and producing certified lists will not be assumed by the county assessor and will have to be absorbed by other understaffed municipal offices. This is another hidden cost that municipalities will inherit.

Will the assessment process be affected?

The new system proposes the use of technology such as "Pictometry" to save on physical inspections. Using this technology will seriously dilute the accuracy of many inspections, and may well be in violation of valuation ethics. There is no substitute for hands-on valuation; without it the entire process will suffer. Add this to the loss of face-to-face relationships between assessors and taxpayers and you have the makings of angry constituents.

How will the new system affect County Executives & Freeholders?

There is reason to expect that the bloom will be off the rose once county leaders recognize that they have a potential ticking bomb. For one thing, in selecting the assessors to serve on the county assessment staffs they will make a few friends and many more enemies, who also happen to be voters who are generally well connected and vocal. They will understand why State laws establish an arm's length relationship between assessors and

municipal governments to avoid politicizing the office.

In addition, county executives and freeholders may also be in for a rude awakening when they discover that they will bear the brunt of blame for tax increases tied to higher assessments. The "personal" connection between taxpayers and municipal assessors is gone and with it the insulation that local governments provide on tax assessment issues. County officials become an easily identifiable target for unhappy taxpayers.

Is there a problem with the legislation as written?

Yes, to the extent that the legislation reflects an apparent lack of appreciation or awareness of the vital role assessor's play in municipal government and of the many services assessor's offices perform for the taxpayer. Assessors have been playing this role since the first political leader came up with the concept of all citizens bearing their share of the cost of government. Today taxes are the primary source of revenue for municipalities around the world. The system works because property values are generally the most stable and best reflect the value of property in a community. This helps assure the equitable distribution of the cost of services in proportion to real estate values. Taxpayers are better served if it is understood that when it comes to property assessment one size doesn't fit all and that flexibility is needed.

If you have any questions or would like further information please call

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Thank you for your interest.



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