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PUBLIC HEARING  
BEFORE  
ASSEMBLY COMMITTEE ON TAXATION  
(Pursuant to AR-3003)

Held:  
August 16, 1977  
County Tax Board Building  
Newton, New Jersey

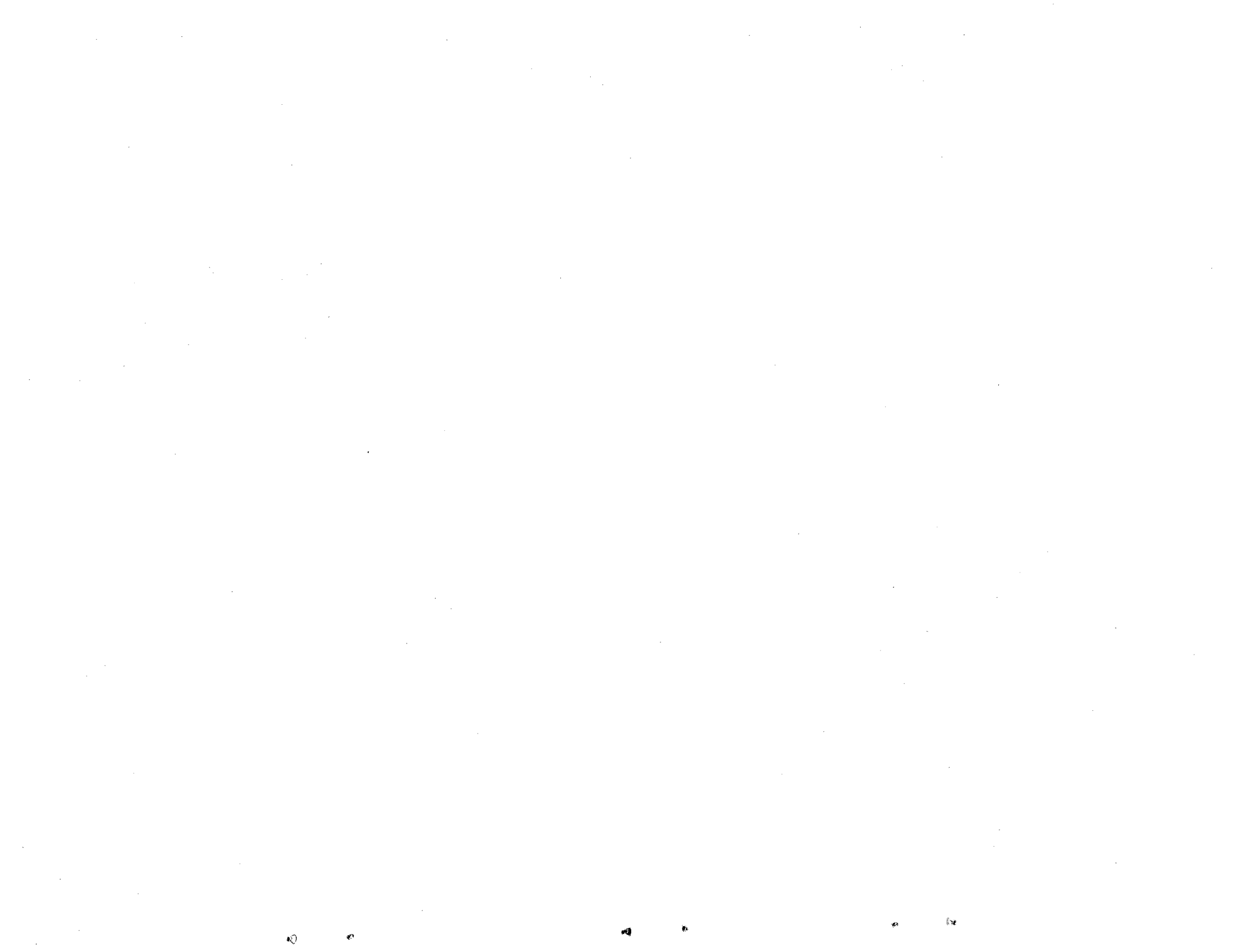
Committee Members Present:  
Assemblyman Donald J. Albanese  
Other Legislators:  
Assemblyman Robert E. Littell

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J. Gilbert Deardorff - Staff Assistant

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New Jersey State Library



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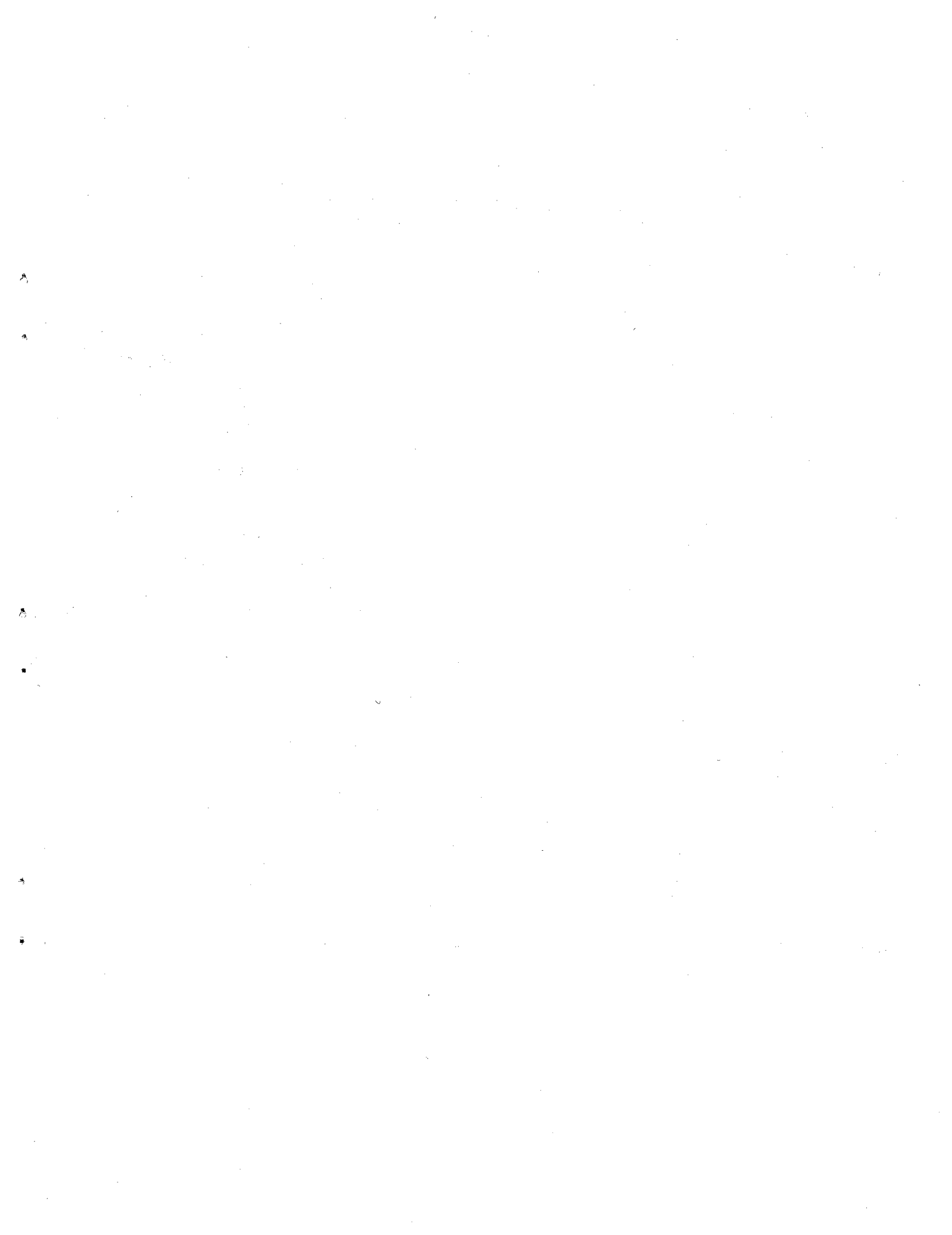
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100% Disabled Veteran Exemption and Deductions  
with accompanying chart

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ALBANESE: May I have your attention please? We'll get this hearing started. Ladies and Gentlemen, welcome to the third in a series of public hearings conducted by the General Assembly Taxation Committee. My name is Assemblyman Albanese and I am a member of the Assembly Taxation Committee and in that capacity I am serving as chairman of this hearing today. We are meeting with the authority of Assembly resolution 3003 which was co-sponsored by five Assembly Taxation Committee members. This hearing is being recorded for use by the Committee and for future deliberations and we are holding several hearings around the State. The Committee is studying the problems of assessment, equalization and revaluation and any item which may affect or is affected by these items. This means that we are actually studying a subject which affects every property owner and indeed everybody in the State of New Jersey, as property taxes, in some form, affects everyone whether you're a landlord or a tenant. We are gathering information, we are not here to give information so we seek as much participation as possible so that in the future when we go back to Trenton after all the hearings, we have as much documentation from you, the people, that are dealing with this on a day to day basis as necessary. If you have not entered your name on a list of speakers and you wish to speak, you still have chance to do so, just come down and put your name on a list right here. If you have a prepared statement, please give it to the Committee prior to speaking and if you're statement is rather long, although in property taxes it is hard to summarize, I wish you would cut it to some extent and hit the main points of your talk. Anyone who does not wish to speak at this time, feel free to submit a statement to us either at this time or at a later date, just forward it to the Assembly Taxation Committee. We are fortunate today also to have the Chief Fiscal Analyst of the State of New Jersey with us, Mr. Gil Deardorff and Gil has been with this Committee ever since I've been on it and Gil is advisor to the Taxation Committee. Just a brief statement of my own, I consider these hearings probably the most

important tax study-type hearings in the State of New Jersey. I get constant calls and letters complaining about property taxes rising, about inequities in assessments. The main reason I feel that this takes place is the fact that the laws in the assessing area are antiquated. And in a sense it ties the hands of the assessors of this State. In fact, I commend the assessors of the State of New Jersey for the job they do do with so little remuneration. It is a difficult job. As I have stated frequently in the past, true tax reform does not begin by replacing one tax with another tax as we have seen recently in New Jersey. But more important, it begins with a study of all our taxes and the problems inherent in the existing laws with an effort to correct these laws. Hopefully this Committee will develop legislation to make the assessor's job easier and more enjoyable in the future. Now I have a list here and the first speaker is Mr. Ben Jager, Secretary of the Sussex County Board.

BEN JAGER: I would like to read mine if I may. First, I would like to thank the Committee for allowing me the time to present these views as well as those of the Sussex County Board of Taxation. My name is Benjamin Jager. I am the Secretary of the Sussex County Board of Taxation and have served in that capacity since 1960. I would like to direct my remarks today to two areas: the first being the revaluation of taxable property and secondly, to tax appeals. As to the revaluation of taxable property by municipalities, I would like to suggest that an appropriation of money be made to the Division of Taxation to study the use of the computer in the annual updating of assessments. This, when perfected, will relieve municipalities of the expense of recurring revaluations. Until such time, however, there is a need for guidelines for implementing periodic revaluations. The local Property Tax Bureau has recommended that a complete revaluation should be done every five years. This is only a recommendation. Our board has further guidelines as to need for revaluation. The first one being the time involved, the second one

being the average ratio of assessed to true value as developed by the Director for school aid, and the third; and this one is given the most weight, being the Coefficient of Deviation. I believe that the coefficient has the greatest significance in determining when the assessments of a municipality have lost their uniformity. In the past, when the County Board determined that a municipality was in need of a revaluation, it was merely a matter of sitting down with the governing body and the Tax Assessor and explaining to them the situation and they would then, on their own, contract for the services. Today, I find we have a much different situation. Municipalities, as you know, are limited in their expenditures of money by the 5% cap law. This, along with this use of "austerity" that we're hearing today has changed the thinking of municipal officials and they tend to push a revaluation in the background, or for political reasons, perhaps, wait to be ordered to revalue. I believe that either by legislation or by regulation, strict guidelines should be set up and then, when the need is apparent that a revaluation should become automatic. This procedure should be applied uniformly throughout the whole State. It would also relieve the governing bodies of political ramifications of voting for the revaluation. As to the revision of tax appeals, I have recently served on a committee of the State Association of Tax Board Commissioners and Secretaries to review Senate Bills 3331 and 3332 which are the result of a Senate Resolution #30 of 1976 and a committee chaired by Senator Thomas Dunn of the 21st district. Both these bills are currently in the Revenue, Finance and Appropriations Committee. Senate Resolution #30 provided for the creation of a Special Senate Committee to conduct a thorough study of tax appeal procedures. Now Senate 3331, and its Committee substitute, revises the procedures of the County Board of Taxation. Committee substitute for Senate Bill 3331 separates the appeal procedures in the County Board from that of their other administrative duties and provides for a full-time president whose duties would be to completely administer the appeal process.

It requires written opinion, conclusions and findings of fact at the county level. It also requires that all county appeals be recorded. It changes the dates that county appeal hearings must be concluded and allows six months for the county boards to hear and determine the appeals and for the president to write the opinions. The Senate Bill 3332, companion bill, provides for a tax court in place of the Division of Tax Appeals and allows for (this is the part that I don't understand, off the record). The county must write opinions. If this were to become fact and finding a fact in law and Senate 3332 provides for the tax court and allows for appeals from the County Board to be heard "de novo" at the discretion of the court, even with the requirements that are written into the other bill. I think Senate Bill 3331 goes a long way towards updating the statutes that pertain to county boards of taxation and to the appeal process with the following exceptions and suggestions:

1. I think that the amendment to R.S. 54:3-2 that requires that least one member be an attorney be eliminated. I don't see anything wrong with attorneys but I don't know why it be a "must" that there be an attorney on the county board.
2. That R.S 54:3-5 not be amended. This section, as amended, merely provided that the board would appoint a president from within its membership. The amendment provides for a full time president to the County Board of Taxation and that in Sussex County, of course, there are different levels, he would be paid \$20,000 a year while the other two members would be receiving \$7,000 a year. This, I would think, would create a division in the responsibilities in the County Board Members. Particularly, in counties where Board members sit individually on different panels to hear appeals such as we do here. I feel that provisions can be made to retain an attorney for a six-month

basis to research the laws and to write the conclusions and that that would only be necessary if a county appeal would take them onto the tax court.

3. Finally, this, and I'm basing my talk on the conclusions of this Committee because they did spend a lot of time and they had hearings in Trenton and I was there. This special Committee report shows that there are 28,000, 28,000 appeals pending before the Division of Taxation in the State Division. It would seem to me that more effort should be made toward clearing up this backlog, and furthermore, to prevent a continuance of this build-up by limiting the time for the tax court or the division to hear and determine appeals similar to that written into Senate 3331 for the counties. With perhaps the exception of a one year limit instead of six months. Now, that's my written report, Thank you Gentlemen. Do you have any questions?

ALBANESE: Thank you Ben, on the topic of revaluation, do you feel that an interval of ten years would be much more reasonable?

JAGER: No, I didn't say that.

ALBANESE: Do you feel that?

JAGER: No, I wouldn't want to say that. I don't think you can really put a time limit and say that is it. It depends upon the economy, it depends upon a lot of things, when you mean revaluations. And as I say, we put the most weight on the coefficient, which shows uniformity more than anything else, and that's what you're trying to get.

ALBANESE: Gil, do you have anything?

DEARDORFF: Ben, what would you think is, instead of the recommendation that was made by Senator Dunn's Committee, the one that was made by the Taxation Committee about four years ago, to provide for a county board secretary full-time?

In every county. And make him really the administrator to work for the County Board.

JAGER: Well, the substitute for this bill, now that's it been practically rewritten, and I think it was rewritten because we met with Senator Dunn's clerk, I forget his name, several times and that does include that if they set up a secretary for the county board, gives him some title, administrator or something to that affect and gives him the duties of doing the other administrative jobs that we have to do and then of course as I said, it separates county boards, the president would take care of the tax appeals even so far as accepting the fees and listing of schedules and then the county administrator would do what we normally do now.

DEARDORFF: Several people from county boards have suggested that one of the problems is that, except for the county board members themselves, the rest of the operation of the county board is borne by the county and yet it is directed by the State, so to speak. And, that if the State expects the county board to do what presumably we're trying to come up with, then the State should further subsidize the county board to see that they have the proper to do the job.

JAGER: I'm not so sure why that, why it is the way it is now and why it wasn't that way in the beginning because a county board member is a State employee, as you know, paid by the State. The office, the upkeep of the office, the secretary, and the clerks are responsibility of the county. It's an unusual set-up, I think, I don't know if there are more or not.

DEARDORFF: I know in several instances, the question has arisen by the county board that the freeholders tighten the purse strings and don't give them enough to do the job that people want them to do and if the State expects them to do this job then we should perhaps pay more of the cost from Trenton, less from the county.

JAGER: Well, that's another avenue of thought. I mean, there's pros and cons

and the county, as far as Sussex is concerned, the Sussex County freeholders have been good to us. Now I know in some counties there are problems. They don't give them office space, but we have, as you can see, a good facility. No problem.

DEARDORFF: I think, of course, there's always the theory that if Trenton gives you the money they're going to expect you to ...

JAGER: That's the other side of the coin, right.

DEARDORFF: ... dance to their tune.

ALBANESE: Ben, getting back to revaluations, we hear around the State from time to time that some people say would be to do revaluations on a local basis aside from the fiscal implications rather than hire outside firms. What's your opinion on something like that?

JAGER: Well, I have seen it done both ways. And it's done in one of the townships in Sussex, many, many years ago, local basis. It didn't work, and I don't know why, at that particular time. I would be in favor of the professional revaluations. As I state in my statement here, that if there were some money spent to study the computer and the use of the computer, that I think we could get, not entirely away from professional revaluations, but they wouldn't be needed as often. Now professional revaluation in my estimation is only about as good as the local official, the assessor, or whoever works with him. They're a service agency, they're hired to do a job, and if you make them work, they work. That's my opinion.

ALBANESE: Bob, do you have any...

LITTELL: Yes, I have a couple questions I would like to ask. Ben, you mentioned the 28,000 piece backlog that tax appeals individual has right now. We passed A-2440, which is Assemblyman Burstein's bill, to increase from 7 to 11 the number of judges and make them full-time rather than part-time, they're part-time if they're already working 40 hours a week. In spite of that we still have a 28,000 piece backlog. We also provide in that legislation for a small claims

section. What's your opinion of that legislation and how it would affect the overall problem?

JAGER: Well isn't this, I believe that this 3332 that Dunn has proposed also provides for small claims and that's in the tax court. I don't know. Assemblyman, I don't know how this would work, I wouldn't know how this would work. Evidently, you must be thinking in the term of delegating the small appeals out to an administrative assistant or something like that, is that the procedure?

LITTELL: Well, the idea that smaller claims, we'll do on a small claims basis and the larger ones will go through a complete...

JAGER: Well, I think it would certainly speed up the process.

LITTELL: How many did you have this year as compared to last year, approximately?

JAGER: Way down. Last year, off the the top of my head, I think we had about 2,000 and this year we're coming up with around 4 or 500.

LITTELL: And what do you attribute that to?

JAGER: I'm sure I don't know. I guess the rebates. I really don't know. This is not only here, but I've talked to some other counties on the phone and it seems to be too much for them to state. Now, we are probably off a greater percentage than other counties because of the fact that we have no revaluation this year. Revaluations, as you know, generate appeals. I think probably 2,000 out of 5,000, a lot of that is because of the fact ...

LITTELL: The other question, what affect do appeals that've been stretched out for long periods of time and in favor of the taxpayer have on the other taxpayers, in other words, take for example, in Vernon Township, they had an appeal from the Playboy Club and it went on, I don't how many years, I think 3 years, '74, '75, '76, and '77, that's four years, and it's still going on. Something like that, what do I do to soften the impact on a case like that?

JAGER: Well, I think you tried to do that in that 75% bill, didn't you,

that they must pay ...

LITTELL: Well, that makes them pay it, but what happens if the court decides in their favor?

JAGER: I wouldn't know. I have an answer how you soften the blow because the blow is going to be there.

ALBANESE: If Vernon loses that appeal, the township is going to get clobbered and the rest of the people in that municipality will have to pick it up and they're going to have to pay it for four years. That seems to be one of the main problems that I hear about from time to time not only in Sussex County but in other areas of the State.

JAGER: Because of the fact that it's dragged out for a long period of time, it probably creates a bigger problem. This whole backlog seems to me should not be. There should be some way to put a stop to it.

ALBANESE: And do you think there ought to be priorities established for large cases like that?

JAGER: It's an idea. It's a thought.

ALBANESE: If you could say that in a case where a municipality has an appeal on other than 10% on their total assessed valuation, than it would be given expeditious treatment?

JAGER: I think that would be a very good idea.

ALBANESE: I think it would help in a case like this.

JAGER: Right, I think it would be a great idea. I still hold to the fact that they should be settled, except for the backlog, that they should be settled within a year.

DEARDORFF: I agree with you. Isn't the key to, really, the fact that too many cases go beyond the county board that shouldn't? I think that one of the things that came up at Senator Dunn's hearings was just that particularly larger taxpayers will make the county board appeals just pro forma because they know they're going on anyhow. Because no matter what happens, and part of it is the lack of a record. The fact that ...

JAGER: That's right. I think that this would alleviate the flow of appeals to the State if the county board were required to go on record. I'm sure it would.

DEARDORFF: Another thing which I've always talked to assessors about but I'd like to ask you, the county board's point of view, don't you think the State sort of lets the assessor in the lurch on some of these things? You know, theoretically, at least, and I suppose practically to some extent, despite those appraisers made available to assessors, assistance in the first instance, in other words, ... however, when the assessor has to defend an appeal, they're nowhere to be found. Don't you think that that should be something...

JAGER: Well, I'm not so sure what the ramifications would be for something like that. If you're going to bring them into the picture, the first thing you know they're going to be the assessor.

DEARDORFF: Well, I suppose that's always a thought.

JAGER: I'm not so sure that this is probably the right way, if they use the State, not too many of them use the State appraisal section, but if they use it, I think it's a dive for the assessor.

DEARDORFF: What does he do when he goes before the Division ...

JAGER: Well, he's got all the records, he's got the appraisal, they do give him the appraisal.

ALBANESE: Ben, thank you very much.

JAGER: Do you want a copy of this?

MORAN: Yes, if you have it.

ALBANESE: Frank Gonzalez, President of Sussex County Tax Assessors Association.

GONZALEZ: On behalf of the Sussex County Tax Assessors Association, I wish to thank the Legislative Committee for allowing me to express the view of our association. My name is Frank Gonzalez and I am President of the Tax Assessors Association. Also present are Malcom Smith, vice president,

and Leo Morris, secretary and treasurer and other assessors. In the area of revaluation we agree with the Sussex County Boards' position regarding the criteria to determine when revaluation is needed. However, the association feels that revaluation cost should be funded at a county level. These costs generally are a deterrent to municipal approval of revaluation projects. At the completion of a revaluation, and for a period thereafter, the sales should be carefully monitored so as to determine if the revaluation was properly conducted. After this trial period, adjustments should be made by the revaluation company if the County Board or the assessor finds that the deviation or the average ratio is inadequate. The sales data that the assessor submits to the Local Property Tax Bureau, called SR-2A, is utilized in many important assessing criteria. We would like to see this data reflect a truer picture of value. To this end we feel that the usable sale categories, unusable rather, sales category, should be expanded to include the following:

1. The inflated sales price used to obtain a mortgage. Generally, we find these sales have a considerable deviation from the average ratio without any logical reasons or basis for it.
2. Sales which include closing fees, commission and points, should not be included in the average ratio. These sales also distort the ratio.

The association requests the Legislative Committee to make a complete study of the exemption and their effect on the local tax base. We recommend that the exempt property reimbursed the municipalities at the municipal portion of the tax rate for services rendered by the municipality. Only the municipal portion, not the school portion. Programs mandated by the State for services rendered by local or county tax offices after the municipal and county budget has been determined, should be reimbursed to the municipality and/or the county

by the state. Now, with respect to the Farmland Assessment, the present law tends to be vague, which leads to many administrative problems. Our recommendations are as follows:

1. That the use of anticipated income should be eliminated in favor of actual gross sales derived from the land.
2. That the gross income should be increased to a realistic level. The original level is still what it was back when the act started except for minor revisions on a per-acre basis.
3. The roll back should be extended to a 5-year period. Basically, this goes along with the Woodland qualifications which are now being made and which in forestry products take normally a longer period of time to develop and to obtain the products from those so it should be a longer period.
4. With respect to Woodlands, stricter guidelines for woodland for agricultural use and nonagricultural use are needed. Marginal lands of a farm should be limited as a percent of the total farm. Large tracts of woodlands subject to farmland exemption should be under the supervision of a Woodland Management program.
5. The State Farmland Advisory Committee should revalue farmland categories on an area basis instead of a county basis. A good example of this is Passaic County, right on our border as you have \$700 for qualified farm across our border is \$300. It could be the same farm but in a different county. New categories for land value for forestry products should also be established by the Farmland Advisory Committee. We find that the present one is basically one for marginal products and not for woodland or forestry products. Do you have any questions?

ALBANESE: Frank, the one area which is always intriguing and a lot of controversy is exempt properties. Would you expand a little bit on some

of the specifics and how we might reimburse municipalities.

GONZALEZ: Well, right now, what happens is if you have an exempt property in a locale, the other municipalities may benefit per se and they do not, the municipalities, which grants the exemption is not reimbursed at all. For example, county offices are for the benefit of all the county, yet Newton is not reimbursed at all for those exemptions. And at least, our feeling was that the municipal portion which are those services which are rented for police, road and just normal services to the property should be reimbursed. We haven't really considered how it's going to be reimbursed we've just thought it would be a fair way to do it.

ALBANESE: Reimbursement could come from the State, could come from the county, in fact there is legislation being considered to have the State do some reimbursement in that area, especially we get the cries from the city of Newark where I guess over, what is it, 60% or 70% is tax exempt property. But, of course, everything has to be looked at in its proper perspective because we're all paying the freight, so to speak. No matter where it's going to come from, it's going to benefit the State of New Jersey, some townships may benefit, others may not. I have one other question regarding the Farmland Assessment. Do you have any recommendations as to what the gross income level should be?

GONZALEZ: We discussed some levels, \$5,000, in that range, I believe New York State has a \$10,000 range. That area really should be looked at from an expertise level, probably Rutgers would know what a farm's capabilities are. But just from the capitalization of the land itself it seems to me that the \$500 is far too low. Far too low.

LITTELL: Frank, you mention in here that you think that revaluation should be funded at a county level. Because it is a deterrent municipality not just Newark. Let's assume for a minute that the county did pay for the revaluation

so would that mean that the municipality would have no say as to whether they would have a revaluation?

GONZALEZ: I think, yes, what we're saying here is that revaluation should be set down on a set of criteria. Those criteria are that the deviations are far off, which means that uniformity is lost in a township. That the average ratio is down which means that you're going to make up for some of that loss with the new ratables which you pick up. And there would probably be a time element. That time element, though, is really not as critical as the first two, especially deviation. Because obviously, if your ratio, your average ratio is down 50%, but you have no deviation, all you're doing is picking it up with the rate, you're not really concerned about that being down. You can equalize it out on a county-wide level.

LITTELL: Well, by doing that you're taking away the prerogative of the municipal government by deciding whether to have it or not, if you're going to have the county pay for it.

GONZALEZ: The thought here was if there's going to be criteria which specified when a revaluation should be done, then obviously the money should not be obtained from a local level if they have nothing to say. If the State comes around and says that if your deviation is greater than 20% and if your ratio is below say, 50% in certain criteria you're going to mandate a revaluation through the county board, which will make that determination. Then obviously, the money should not be derived from the local government. And then obviously, they wouldn't have anything to say about it.

LITTELL: The assessors, they don't want the municipal governing body to have anything to say about. I think they want a strict guideline set of criteria that the county tax board will determine and say that municipality X now meets this criteria and will be thereby ordered a revaluation and the people who live in that municipality, who are represented by that governing body will have no say over it.

GONZALEZ: Basically, what we're saying is that revaluation is a very very hard political decision to make. If you have a township with a large deviation but only a certain percentage of those, maybe a small voting group is out, the political decision is harder to make. And also, you find that the money that you have to come up with has to be justified to the people so it's a harder decision to make and we find that, well, at least our feeling is that, the township doesn't have a feeling when it's needed. The assessor knows when it's needed and so does the county board. If you eliminate the political aspects of it, and just make it based on some statistical data, which is hard data, you can make a better decision on it.

LITTELL: You have to take into consideration that assessors are autonomous. In their economy, they have the prerogative to decide whether a sale is an exceptional sale or not. If in their opinion they decide that it's not an exceptional sale, ...

GONZALEZ: Well, we can't throw out our other sale, so if certain guidelines...

LITTELL: But you have the prerogative to decide whether or not there are any sales.

GONZALEZ: No. No. Only within a certain framework. There's 36 categories. This is what our expansion is.

LITTELL: But that's within your job.

GONZELEZ: Yes.

LITTELL: Within those guidelines.

GONZELEZ: Yes.

LITTELL: Now maybe the governing body will disagree with you. They don't have any influence over you because you your job is an autonomous job.

GONZALEZ: But they have the right to go and present the municipal case before an equalization hearing at the State if they want to.

LITTELL: I realize that, but I'm not sure that you want to take away the

prerogative of the municipal governing body to decide whether you ought to have a revaluation or not. If it's going to be paid for at the county level, may the municipal governing body ought to have some say in it. That's what I'm trying to say. That it should not be completely run by the county tax board and the assessor.

GONZALEZ: Our position was that if the county was going to order the revaluation, obviously the county should pay for it. That was basically our position. That is strict sets of criteria, most of the time it is ordered from the county. Basically, they'll go to the municipality and they'll indicate to the municipality that your ratio and your deviation is off and we would like a revaluation. And, obviously, if this directive comes, it takes a lot of people off the hook. Basically, that's what it amounts to.

LITTELL: Except the people living in that municipality, when they have a complaint about their revaluation. Don't go to the county tax board, go to mayor in the township or go to the assessor. I think that's the line of communications we have established over the years. I think we have to be careful not to destroy that. It's a very touchy area. I'm giving the power to the county tax board to run the whole thing. I think they did a fine job in our county but you take a situation like Newark, where the city refused to do it and they were going to put the Councilman in jail for refusing to do it. It finally ended up in the Supreme Court ordering the County tax board to hire somebody to do it and to pay for it out of State Aid. Isn't the municipality supposed to receive from the State? That's how bad it got down there.

ALBANESE: By Constitution, Frank, there's a five acre limit on the minimum acreage on farmlands. Do you feel that something in the area of 20 acres would be more reasonable?

GONZALEZ: We didn't discuss, and since I'm speaking for the group, we didn't

discuss the 20 acres and the 5 acres. I think the main thing is really the income. Obviously, on a quarter acre I could grow up to \$500 right now, basically. I feel that the income requirement would go a long way into rectifying the problems with the area per se.

ALBANESE: Also, the question is, I would like to get an assessor's opinion, Frank, do you think revaluations every 10 years are more reasonable than every 5 years?

GONZALEZ: I don't think that the time period is really the critical thing. I think that's minimal. I think the critical thing is the deviation. And from there the average ratio.

ALBANESE: Thank you very much.

DEARDORFF: Why is it then that so many times when we have revaluations, that within a couple, even sometimes the second year, the ratio is way down.

GONZALEZ: It could be economy. Actually, I find that the whole picture of revaluation, really the deviation is really the critical part. More so, than your average ratio. If your deviation in the second year shows a wide dispersion I think you have a problem. And it has to be corrected because it wasn't done properly. If your average ratio is down say 10%, it could be an economic reason. Maybe something changed. A road opened up or some new dimensions entered into the area which weren't there before.

DEARDORFF: Well, isn't a lot of it due to the fact that sometimes one key sale can throw a ratio all off?

GONZALEZ: This is true and that ratio, residential sales generally are the best ones to follow. If you follow the residential sales you have sufficient of them to make a statistical judgment. I think when you look at your land sales and your industrial property, you don't have sufficient of them, to make a judgment on it. There are statistics which you can then take, and find out how good your statistic really is. In other words, if you have enough sampling points, your statistic is good. If you don't have enough sampling points, your statistic is no good. I think that that's critical too because they do categorize them.

ALBANESE: Thank you very much. Charles Fouquet.

FOUQUET: Good afternoon, Gentlemen. My name is Charles Fouquet, Chief Assessor for the Township of Parsipanny-Troy Hills. I appear before you today not only as an assessor but also a taxpayer. My remarks are my own thoughts on the subject of exemptions and not necessarily those of my fellow assessors. It is my belief that tax exemptions in the State of New Jersey have gotten out of hand. I would like to refer the committee to the Report of the Commission to study the laws of New Jersey Exemption of Real Property held by Religious, Educational, Charitable and Philanthropic Organizations and Cemeteries from taxation. This committee, chaired by Assemblyman Chester Apy, gave its report January 30, 1970. It is known as the Apy report. A supplement to the report followed January 12, 1971. Copies of the report were submitted at a public hearing of the Property Tax Task Force of the Tax Policy Committee on November 18, 1970 for use in its study of the entire tax system of New Jersey. Shortly afterward, in 1972, the legislators made some changes in the 100% Disabled Veterans Exemption Law, the result of which are horrendous. In 1974, the New Jersey Association of Municipal Assessors, through its exemption study committee, made a survey concerning the 100% Disabled Veterans and also the Veterans Deductions. A copy of the results are attached. I would like to see this study updated as I believe it could prove to be very interesting. One of the recommendations of the Apy Report was a tax limitation in the area of lands held by non-profit organizations for open space purposes. This recommendation has been followed in the Green Acres Tax Exemption Program, signed into law by the Governor on December 9, 1974. However, it was not done in quite the way the Commission recommended. Instead of some kind of tax limitation, it was exempted entirely, once again cutting into the tax base. I realize that the veteran deduction and the senior citizen deduction and the disabled

person deduction should be taken care of, say, by a credit on the income tax, not as a deduction from the property tax. The 100% Disabled Veteran law should be tightened up and it should be taken care of at the State level or better still at the federal level. Some municipalities now have 30 or 40 or more 100% disabled veterans. It is not a very equitable distribution of a debt which should be met by all. It is also my opinion that other than municipally owned property and public school property, there should be no 100% exempt property. I believe that all of the other so-called exempt properties, whether federally owned, State owned, or county owned, should at least pay a tax based on the municipal and county share of the tax rate. I guess what I am trying to say is let's take a real close look at our tax exemptions as they now exist and tighten up the loop holes, cut out the unnecessary and make the distribution of those necessary a little more equitable. Just in a way of comparison, the Assessors Law Manual has 96 pages not counting the index, over 30 pages or almost 1/3 is devoted to exemptions and deductions and I am afraid this is what is happening in our State -- more and more exemptions cutting into the tax base -- more and more of the assessors time taken up with the administration of the exemptions and deductions. Speaking now not only for myself, but for my fellow assessors, if we can be of any help, please don't hesitate to call on us. I don't know of anyone more willing or better qualified to help straighten out the tax picture in New Jersey than the 750 or more assessors, of the 567 municipalities, whose responsibility it is to administer the property tax.

ALBANESE: Charles, I want to commend you on saying something that I think a lot of people say under their breath and that how many more properties are going to be exempt? It'll get to the point that we'll have more exemptions than we have taxable property. The sad thing is, that, I don't mean to repeat

myself, but somebody's got to pay. There is not an uncapped source of money, within the boundaries of this State and everytime there's an additional exemption, somebody is going to have to pay for that money that is not going to be collected from that property.

FOUQUET: Unfortunately, it seems to me, that everytime the legislators want to make an exemption, they fall right back on the property tax and say, let's take it out of here. And this is what has been happening, As you recall, let's take the Veterans Tax Deduction, O.K.? Originally it was \$500 off of the assessed valuation. The thing that gets me, and I think you will see it in the study that we did, is that originally it was also for New Jersey Veterans. Now, the law changed to where it was a flat \$50. O.K.? It just made it better. And, if I remember correctly now, only 63% of those collecting now, were originally from the State of New Jersey. The rest of them were from outside the State, probably collected their bonus, which was, ours was given in lieu of a bonus back in those days, so they have collected in the state that they were from and now they're coming into New Jersey and they're collecting all over again. Frankly, I collected myself, I've taken myself, and if they were giving away, I'd give it up tomorrow and gladly, if they would take it away. The figures I think it was between that and the 100% disabled was \$23,000,000 or somewhere and that was back in 1974. I would almost be willing to bet that the 100% disabled veteran has almost doubled that figure that we had in 1974, by now.

ALBANESE: Isn't it true that if we didn't have all of these exemptions we would, it would be easier to possibly give exemptions in areas such as senior citizens that need it so they could hold on to their property, to some extent, rather than, it's so difficult to do something like that when everytime we turn around, we have an exempt piece of property. Or some

deduction or exclusion from taxation.

FOUQUET: That's why I say that a hard fast look as it is going to be, it's going to take a lot of guts to all of a sudden cut back and say no, these are no longer going to be. But something is going to have to be done, somewhere.

LITTELL: We have changed in the last three years. In last year's property tax relief package, we took away the responsibility of the rest of the local property taxpayers from paying the senior citizens' deduction. I think that it's a start in that direction. You can't make all the changes at one time. With regard to limitations of law and profit. Religious organizations and things like that, in your opinion where would you draw the line? As an assessor, where would you draw the line as to who got a break and who didn't get a break?

FOUQUET: I believe we tried to introduce a bill, I think there's one still in there, in which we tried to get this across. And I believe this had to do with charitable, religious, we went down the line as the law stands now. This is what we used. These are the ones I say where we should draw the line.

LITTELL: Where would you draw the line? Would you take away some of the existing exemptions or would you say that there be no more beyond that or what?

FOUQUET: The one I would take away, if it were up to me, were the fraternal organizations. This one I definately would because they added that one back in after we no sooner got it taken care of and thought we were on the right track and then they turned around and signed it back into law. Fraternal organizations. Let me say one other thing. I think that at the time this was discussed, there were quite a few churches in charitable organizations that wanted to pay something in lieu of taxes. They were in favor of it.

There were quite a number of them that came out and said this. As a matter of fact it was when they were holding the hearings there. There was quite a number of the organizations that came out and said they would like to pay something in lieu of, this is when we came up with the idea of perhaps just the municipal and the county portion of the tax rate is what should be used for these. And I would say, using the guidelines, which are more or less already set up,...

LITTELL: In other words, not charge them for any school costs.

FOUQUET: Right. This would be basically it.

LITTELL: Thank you.

ALBANESE: In all fairness to you, I think this is the purpose of these hearings is to come up with ideas. I think it's difficult for you just to off the cuff give an opinion as to where you would draw the line because it's going to involve a lot of study, and a lot of hours once the Committee gets back to work again after these hearings in order to tackle that area also in a fair way, fair to everyone. Gil?

DEARDORFF: Charlie was referring to, this was an informal group, of assessors and myself mostly from Essex County. We came up with the idea and it's now in bill form, for a service charge on all exempt property. But it would only be based on the land because of the difficulty in determining the value of one church vs. another, or a school vs. another. And in doing so, we found out that the cost to the average exempt property would be about \$150 a year. They were in other words repaying for streets, roads, garbage, police and fire. In some cases sewer and water. The problem I think and I think you'll agree, I hope you will, after those discussions, is that the minute you start talking about charges on exempt property, a lot of people misunderstand and particularly with your charitable and educational organizations, think you're out to get them. Now, if you recall several of the people in that group wanted to more or less publicize how much this was going to cost to prevent this idea, but I think

we can in the course of this, the final report that we put out, we can throw out a lot of these things and refer to whether the Committee will decide to come up with something in a formal recommendation, I don't know. Charlie, you know that the State just passed a law which will become effective for the year 1978 on payments in lieu of taxes, for State properties, mostly, not the ones that interest Sussex County, but would interest you in Parsippany-Troy Hills. Do you think that is an equitable method for the State to reimburse municipalities so far as it's going to the institutions and the colleges and so forth?

FOUQUET: Well, let me put it this way. I think it's a step in the right direction. But I don't think they're carrying it far enough.

DEARDORFF: Well, how would you go further?

FOUQUET: In other words, you see, here's a perfect example. The Green Acres Exemption.

DEARDORFF: That's what I say, that Green Acres, the parks and the forests, have to be handled separately. The way it has to be handled today, I know here in Sussex County, you have a lot of the property, you get 10¢ an acre, and at 10¢ an acre you might as well forget to write the check. Do you think so far as, for instance, your institutions. Do you think that is an equitable method of solving that?

FOUQUET: Well, the institutions, why, yes. As I say, I think what they've done is a step in the right direction but as I say, I still feel I have to go further. I would like to point out one other thing, you as the legislators know that attached to this bill, an explanatory note, that this would only involve \$50,000 or \$75,000, I think it was \$50,000 throughout the whole State of New Jersey. I want you to know that it accounted for \$40,000 in taxes just from Parsippany-Troy Hills, 1,200 acres. I think that the input that you get, I think a lot of legislators would not have gone along with this if they had known the full effect this was going to have. I don't think there is an

assessor in this room that doesn't rue the day that this came along and more and more are jumping on the bandwagon all the time to get in under it. It's just next to the disabled veterans law, I think that this is the second worst piece of legislation that I ever saw, as far as that is concerned.

ALBANESE: Regarding the Green Acres, it's amazing when I tell the legislators in Trenton that Sussex and Warren Counties, every election time that there's a Green Acres bond issue on the ballot, that these counties vote them down. They vote against it. It's the rest of the State that seems to carry it. We're just being gobbled up with tax-free land in these counties and I think it's another reason why legislators should not be so eagerly ready to jump on the bandwagon with a new State program when it comes down the road. Thank you very much. Gloria Cross.

CROSS: I'm sorry, I only have one copy.

ALBANESE: That's alright.

CROSS: I'd like to thank you for allowing me from Morris County to come over today. We have a whole contingent of assessors from Morris County but I spoke to Gil earlier and he thought that we possibly could set up a meeting for our area so we could have more discussion with your Committee on various points. We had decided in our County Association that we would each take one point and elaborate it with you. As far as I go, I could take all day long and talk about this tax assessment system with you.

ALBANESE: I advise you to press your Assemblyman Dorsey, who is on this Committee.

CROSS: I'm going to. I certainly am. I'm going to call him tonight. I am Gloria Cross of Denville Township. I speak as a certified tax assessor, currently employed as the same for the Township of Mount Olive and the Township of Boonton in Morris County. I'm serving my fifth year as the Mount Olive Township assessor and previously served five years as Denville's tax assessor. I'm currently serving as vice-president of the Association of Municipal Assessors

of New Jersey and President of the Morris County Assessors' Association. However, I am not speaking on behalf of the State or the County Association, but strictly on my own. I wish to submit the following statements relative to your Committee's Assembly Resolution 3003. I will address my comments to the equalization or sales ratio program. Equalization is a process of assuring the property in each taxing district carries its fair, legal share of the burden of taxation. At the present time, equalization program is conducted for two major purposes: the distribution of school aid and the use by county boards of taxation in the apportionment of the cost of county government and school districts covering more than one district. The major part of the work of the equalization is to determine the aggregate true value of all real property. The figure is established by a process of assessment to sales ratio analysis and the aggregate true value of real property together with second-class railroad property and personal property is known as equalization valuation. The sales ratio program is based on a comparison of the sale price with the assessed value of parcels of real property which have been sold. It is assumed that the assessment on the property sold will be representative of the assessment practice in the taxing district. The procedures of the sales data collection and analysis is developed by the local property tax bureau based on a two-year study, the results of which are published in the forms of tables of equalization and certified by the director on October 1 of each year. With the Commissioner of Education for state school aid purposes and to the county board of taxation for the purposes of apportioning the cost of county government and school districts covering more than one district. Although the State Constitution mandates that all properties be assessed at the same standard of value, it is quite apparent that it is almost impossible to do. Four classes of properties have been established in the sales ratio program. Class I, vacant land; Class II, residential; Class III, farm qualified; Class III-B, farm-qualified;

or, farm regular is III-A, III-B is farm qualified; and Class IV, others which include commercial, industrial and apartments. While I recognize the need for the equalization program for the purpose it was originated, I would like to point out some of the failings and other use as to which the equalization ratio is currently being used. The majority of the responsibility of the sales ratio program lies with the assessor. The fluctuation of the elusive numbers has caused more than one assessor's blood pressure to fluctuate. When the ratio declines, the cost to municipalities rises. How does the assessor explain to the taxpayer, his governing body, the mechanics of the following ratio? How can we explain the pitfalls of the point system that inflates the selling price far above true value? Although the assessment is basically sound, the padded selling price belies the willing buyer and seller concept. Also, VA and HFA finance mortgages have an affect on the equalization table. Many of them sell at an inflated price, requiring no downpayment, added points and inflated closing costs. Inflated closing costs and points should be deducted from the sale price or throw the sale out of the study completely. In the equalization program the use of the residential ratio is applied to the qualified farmland ratable for equalization purposes. By reason of the Farmland Assessment Act of 1964, qualified farmlands within a municipality must be assessed at a considerably lower value such as farmland has for agricultural or horticultural use. So, that municipality has no control over the assessment of such farmland, beyond its value for farm use. Therefore, municipalities containing large areas of qualified farm are required to pay an unfair share of the cost of county government, as well as suffer loss in distribution of school aid funds which are distributed to the municipalities. It's respectfully requested that a review of the present practice of using the residential ratio on qualified farmland and perhaps that the legislators could be encouraged to write legislation reimbursing municipalities containing qualified farmlands for the added cost of government and education on loss of

school funds. the application of the residential ratio to qualify farmlands has no basis. An alternative to applying the residential ratio to farmland could be the average county percentage level. That is the one I would suggest be applied. Another threat of the equalization ratio is the stabilization of the ratio incourt judgments. When appealed, if filed and hurried into county and State tax courts, in many instances, the assessments are lowered, and yet, with the so-called freeze act, the lower assessments must remain on the books. In three years time, property valuations do change and particularly in these inflationary times. What happens to a property that has been benefited from a tax reduction and has sold at a much higher price, usually a price that justified the original assessor's valuation? The result is a lower ratio. It is my opinion that this type of sale should not be used in the usable sales category. The use of the district average ratio, being used by the tax courts, as a means to arrive at the assessed valuation has long been a thorn in my side. As you may or may not know, the assessor must determine the valuation of all properties within his or her taxing district. The assessor's basic tool was the appraisal manual prepared by the local property tax bureau. All properties are assessed on the reproduction cost for improvements and market data for land. But lo and behold, we also must consider the market data on the income approach on certain types of properties. Specifically, income-producing properties, such as commercial properties and garden apartments. My point is, that the assessor's true value on which the assessment ratio is predicated, is basically done on the reproduction approach, therefore, producing a hypothetical cost-approach to true value ratio. The majority of sales in a taxing district is in residential sections. Many times there are no sales of commercial or industrial properties included in the sales ratio. Also, be advised that the cost approach is considered to be the highest approach to

value yet the courts are applying the district average ratio which normally reflects the residential ratio to the commercial and industrial properties. The appraisal of the appellants are normally predecated on the income approach, which is considered to be the lowest approach to value. We must note the affect of a ratio being arbitrarily applied to these types of properties. If assessment reduction by the ratio is at all to be applied, then it should reasonably be applied to the cost approach of value and not the income approach to value. In summary, I would like to state that as an assessor, I will probably never attain complete serenity for every year is open season on the tax assessor and all the ills on the so-called tax inequities are blamed on the assessor. I am in agreement with the Commission's endeavor to locate and identify the many problems with the ad valorem tax and I am the first to admit that is not perfect and some changes are needed. I believe today's assessor uses his office to make this a position more honorable and respected that ever before. Due to the certification law of 1969, the assessor is more professional than years ago and strives to improve the position each day. A test to this is the assessor's involvement. In order to assist you in your endeavor to come up with recommendations improving the assessment system. I strongly urge that you continue to solicit the aid of the assessor in the future. Thank you for this opportunity to address you and to submit this statement.

ALBANESE: Very good, Gloria. Assemblyman Littell, do you have any questions?

LITTELL: Yes. Gloria, you mentioned in your statement here that the properties sold under FHA and VA are sold in inflated volumes because of the desirable mortgages that they can receive.

CROSS: That's right.

LITTELL: It's my recollection that the City of Newark and the City of Trenton

went to court and received a court decision from the State Supreme Court saying in those two municipalities only, that all VHA sales, VA and FHA sales would be exempt from the sales ratio. Is that correct?

CROSS: I am not sure whether it had a Supreme Court decision on it yet or not. I know the Superior Court did but it went to the Supreme Court. I take exception that only Newark and the other city could do it, it should be for all of us.

LITTELL: Well, that's my point. If the court decided that, then should it apply to all municipalities. If the court decided that that's true for Newark and Trenton, then the Legislature ought to make that apply equally throughout the municipalities.

CROSS: Equally throughout the municipalities. Right. Because it has a drastic affect on your ratio, really.

ALBANESE: It sounds unconstitutional.

CROSS: Well, this could just be case law.

ALBANESE: That's one of the big problems that we run up against is that they're always doing things to favor the cities and leaving us behind.

CROSS: Nothing, right. This is correct.

LITTELL: We can put legislation in to correct that, if the assessors ...

CROSS: We do think it's very important. Even though I'm speaking on my own, I have been on these study committees and the State Association, so this is one thing that they feel very strongly about. I'm sure that you know that, Gil.

ALBANESE: Well, we're interested in every comment because it will all be digested at a later date. In other words, for a board, a group or for your own opinion. Gil, do you have any questions?

DEARDORFF: I'll just make a remark, Gloria, on that it has been surprising to me that within a period of about five years, I find that no matter where you go in the State, there are many, many similar views on the part of the assessors. It used to be that if you talked to the assessor from Sussex

and the assessor from Camden, they didn't have the same problems. Now everybody seems to be looking at the same thing. Naturally, if we find that to be true, now in everyone of these hearings, those areas where there is consensus, certainly shouldn't be difficult to come up with a recommendation.

CROSS: That's good.

DEARDORFF: We talk about the evils of the sales ratio system and I think everybody agrees that there are many evils and yet we also always say well, the reason we use it is because it is the best thing around. Do you have any ideas what could be substituted for it?

CROSS: Gil, I think that the sales ratio program, what it was really started out to be and what it supposed to affect probably is good. For the determination of county costs. My biggest gripe is, and pardon the expression, is that if used in the course to determine value, I don't think this was the intent of the sales ratio study. And yes, I do feel that if there are municipalities and it's a residential ratio, which I try to point out briefly here, only that ratio should be used on residential property. All the residential properties are based on the reproduction approach. They are not based on the market data approach and they're not based on the income approach which are lower values, whereas anything with a commercial or industrial or garden apartment, they'll come in with their appraisal, and submit the lowest approach to value. And the appraiser knows that the income approach is the lowest. Then they want us to apply the ratio which was gleaned from the reproduction approach. To their property! Which has nothing to do with it! Not in my opinion. I feel there has to be some other way, I haven't really given a lot of serious thoughts, but I don't think it should be in the hands of the courts. I don't think valuations should be determined (of assessments) by the courts, by arbitrarily applying a residential ratio to commercial and industrial type appeals. Everytime we do that you know it's not the little guy that's

going to appeal. It's not going to go to the division with the \$40-50,000 assessment. It's going to be the fellow with the \$100-200,000, \$12,000,000 appeal and everytime he comes in with a low appraisal and the ratio is applied, that poor little one-family dwelling has to make up the difference. All the time. It just doesn't rub me right. And I hate it.

DEARDORFF: What would to think to making the ratios good for two years or three years instead of one?

CROSS: I think that's a good idea. I also have given thought to a ratio study for a three-year period instead of a two-year period, simply because we had a very bad period between the end of 1975 and the beginning of 1977. Everyone knows that the market really stopped and things weren't moving. It wasn't really reflected by the true market. Now things are going up and all of a sudden we inflationary types again. A three-year period would probably equalize that lull a little better than the two-year. I definately would not go for a one-year period. I don't think it's equitable.

DEARDORFF: I'm not only talking about the study, I'm talking about maintaining your assessment ratio. For more than one year.

CROSS: Yes, that's an idea because this gives an assessor three years to update his assessments. Fully, instead of one year. And it could be done with the use of computers, and other technical knowledge, it could be done.

ALBANESE: Thank you very much. Harold Baumwoll.

BAUMWOLL: I haven't written anything and what I've done is taken some of the ideas and the ones I agree with I put down.

ALBANESE: That's O.K. You're being recorded so we'll have it.

BAUMWOLL: First of all, I would like to congratulate Gloria, who is the President of the Morris County Assessors Association. She took over from me.

I was the past president. I am proud that she is here to represent us. I would say most of her statements, of the statements that are concurrent by the assessors in Morris County. Some of the remarks that I have written down are these. A full-time tax court. We should have full-time judges for tax appeals. State tax appeals. In other words, a full-time tax court. Judges are to be knowledgeable of the three approaches to value, the income approach, market approach and the reproduction. The appeal agency should be staffed with qualified appraisal personnel to aide the judge. Here's something I haven't heard. It's one of my ideas on the oath, that is taken by the appellants. They swear to tell the truth, the whole truth and nothing but the truth. I feel that there are some untruths, stated in their appeals. How can you force purjury? I would like to see purjury enforced and the full weight of it and the stigma attached to the appellant and therefore we should get more truths and less phony statements from the tax appeals. That's about all I have to say.

ALBANESE: Perhaps we could purchase a lie detector for each tax board and tax court. No, I think you are ... I'm just being a little ... it's been a long day. Bob, you have anything you want to ask?.

LITTELL: No.

ALBANESE: Gil?

DEARDORFF: No, I don't think so.

ALBANESE: I didn't think so. Thank you very much. Bernadine Silver.

SILVER: Thank you for the opportunity for being able to present my tax ideas which I think I have spoken to Don on several times and I think I spoke to Bob. That's what I was just talking about now. Property, particularly for the one-family or the two-family owner, is a matter of a right, a shelter. Most of the things, with some exceptions, that I have heard here today is based on dollars. Everyone has a right to own their own property if they

can pay for it. And I do not come as well prepared today as I should have, but I only heard about it this morning and therefore I could not have prepared all of the things that I wanted to. Basically, I will go over what I have said many times. First, let me introduce myself, I am Bernadine Silver, I live in Wantage, and I am vice-president of the Federation of New Jersey Taxpayers and also a member of the Wantage Taxpayers. I represent neither one of those groups. I am speaking primarily for myself and the study that I have done concerning taxes. It's a fact that there are now 28,000 appeals which was brought out in this room. It shows that most people, that many, many people throughout the State are completely dissatisfied with our method of assessment. It's based, again, on dollar values. Now dollars go up and dollars go down. In this State, and municipality and county there are only so many dollars. They do not go further. We do not have any printing presses like the Federal Government. My contention is this and I have spoken concerning it to many legislators, not only in this State, but elsewhere. I just came back from Cape May three weeks ago. There was a very similar problem like ours, presented itself and I think our whole method of assessment should be rechanged. What you take away from one must be paid for another. When you talk about Veterans' deductions, that must be paid for by someone. The same way with senior citizens group. I have in my possession a bill which is being offered, matter of fact, it only came today, a bill being offered by one of our Congressmen saying that they want to give more to the senior citizen. My contention is, and I know a little bit about it, that if the senior citizen does not have to pay an overly amount for his home, which he has to pay now, and even the \$160 deduction which he was granted by the State, is now eaten up, if his house were based the same as everyone's else, based on what he paid for it at the time he purchased it, and I am now only going to talk about

one-family and two-family houses, although it would be a different formula for multiple dwellings. But just let's take one at a time. One-family and two-family houses. Whatever you paid for it, that particular piece of property at the time you purchased it, that should remain as basic assessment. It will save a great deal of money as far as a municipality is concerned, there will never be a need for a reassessment, there will never be a need for a county reassessment or a State demanding that there be a reassessment. That is what you pay for, you knew what you could pay for and you're going to live with it. However, should there be any change in that particular assessment, sorry, any particular change in that dwelling, sometimes people like to open little businesses in there, they want to improve their property, they become affluent through the years and they decide they want to enlarge their dwelling. To the amount of x number of dollars, as determined by the municipality, other than the State because I think the State when they step in they do it overly much, it is not within their province, it becomes costly, but if the municipality determines that, then that should be added onto their assessment. However, the rate of assessment and that is an entirely different thing, the rate of assessment, should be changed according to the cost of living increase as determined by the U.S. Bureau, U.S. Labor Department. In that way it's the same for everybody. There's no one saying, well you assessed me too much or you didn't assess me enough. Now, sometimes there's an increase and sometimes there's a decrease. Right now we are at a highly inflationary period. When you talk about a ratio of the selling price of the house down the street or around the corner or wherever it may be, so that it comes in this particular period where it has to be equalized, this is unfair because as was brought out by someone, that these are inflated values. But at the same time we have gone through deflationary periods and I can speak very well in having been in contact with that. Not only

that, having testified years ago to this sort of thing. Houses that originally were purchased for, take a figure, \$25,000, \$30,000, were selling for \$5 and \$10,000. So you have the reverse, therefore, over the long period of time, it would even out. Your cost of administering assessments would go down, the senior citizen would not have to go out and look for handouts, which is what they are getting now when they cannot live on their property. Veterans exemption, just as this gentleman said, should be done away with. Why give him that, there's no reason for it, and he brought out some of the inequities. There are other inequities. If they know what they have and what they can pay for and live with it, I think that a lot of these exemptions and a lot of these give-aways, which we are trying to do to assist them and they should be assisted, I have worked on it on many projects, could be done away with so that you wouldn't be taking, as I have often said and often written, you take away from one segment and you give to another. This is certainly not the American way. You should have the dignity of being able to live in your own home so long as you want to. People cannot do it today. While I have not looked up all the defaults in mortgage payments and whatnot, if I had known I would have had it all prepared but I didn't. I'm sure that we are now going through a foreclosure period or probably very close to it unless they are getting assistance from some type of government, whether it be municipal, county, State or federal. What you take away from one and give to another, does show up somewhere. You'll say, well, the municipality isn't going to get that much money but there is a further addition to this particular type of assessment. When the property is sold, an x percentage, and the percentage, again to be determined, of the difference between what they paid, let's say you bought your house for \$10,000, ten years ago, and there was property up here for \$10,000, and you sold it for \$20,000. I'm just taking a presumptive figure. The difference

between \$10,000 and \$20,000, a percentage of that is to go to the municipality in which the property lies. Thereby, there will always be some extra money coming into the municipality which ordinarily would not be expected. That pertains particularly to that municipality. Therefore, in the long run, you would be losing nothing. You would be coming down on a great deal of paperwork. You would be cutting down on a great deal of long work and I agree with whoever said it, that I think the courts have stepped into too much and this would be a very simple way of handling property. Now we talk about low cost property. Low cost housing. I have, too, had some expertise with that, not with my own personal experience but also having been on the lower office that handled a great deal of real estate. I know that low-cost housing is a very, very difficult thing to provide for. In 1948, and I have the record at home to show it, one of the Congressmen said the most corrupt department in our entire nation is the Department of Urban Development. It wasn't called Urban Development then, it had another name. And it hasn't improved. Now we don't need to add another thing like that in the way of low cost housing or urban development. We don't need that, we've got enough of it. We would just get people, and I mean much of the private people sector, take care of a great deal more that they have not been able to because government has intruded itself, I think we'd be far better off. That basically, gentlemen, is what I would propose as a new modus operandi, or method of handling tax assessment. I have much more material, I brought, I managed to get a little bit together today but not a great deal. I think everywhere you go and you gentlemen get to go more than I do, there is a constant unrest. There is a constant and people are so dissatisfied with what is happening with their property and they have a right to a shelter. They cannot keep it up and basically it's because of our tax method of assessing. Thank you very much and I appreciate it. I'll be glad to answer anything if I can.

ALBANESE: Bernadine, could you clarify something for me? You said that the selling price at a time would be the price assessed on the property.

SILVER: The purchase price, or the selling price, yes. It's the selling or purchase.

ALBANESE: In the event, of course like we've seen property purchased twenty years ago for \$10,000, today is being sold for maybe \$50,000. Inflation and etc. What price do you establish for the assessment, the new selling price?

SILVER: Yes, of course, because a new owner comes in, Don, a new owner and he purchases it for \$50,000. Now he knows that he can pay \$50,000 and you see I am talking in human values. What I have heard in this room today was based on dollar value. Human values cannot be measured in dollar values. The human who came in and purchased the house at \$10,000, he knew he could pay \$10,000. But you see, in the long run, the difference between \$10,000 and \$50,000, and we have to take simple figures, part of that will accrue to the municipality. It's a simple method.

ALBANESE: The amount you said goes back to the municipality, where does that come from?

SILVER: The difference between what he purchased it for originally and what he now will sell it for. I have a house, I purchased it for \$10,000. Ten years later I sell it for \$50,000, to take your figures. The difference between \$10,000 and \$50,000, that particular increment is to be taxed by a certain percentage which is to go to the municipality. It's very simple. You do it that way. It's a little more complicated, but I have reduced it to simplicity.

ALBANESE: Bob?

LITTELL: I just wanted to say, that I disagree with you about doing away with the Veterans exemption, I don't think that that's very much to pay for

the men and women in this State who fought for our freedom and our country. I think that's what we have to do for them. The statement that you made about leaving the assessed value of property when purchased there until someone sells, bothers me because if you're in doubt that a concept like that, what you would be saying is that this would be really helpful. Some people have owned their homes for a substantial period of time and are now senior citizens. You would be destroying the young people who want to build a house or buy a house. They wouldn't be able to afford those extremely high prices that they'd be paying because they would be in turn picking up a tremendous portion of the cost of the people who are assessed at the price of 10, 20 or 30 years ago. When you talk about shifting the burden, that's exactly what you do when you do that. You're shifting the burden from the senior citizen to the young homeowner who wants to out and either build a home or buy an existing one. I don't think that's a very equitable way to do it. I think that we've reached some great strides, in addition to the \$160 which senior citizens have qualified, have gotten, we add it to the homestead exemption which amounts to approximately \$240, and that's a total exemption for senior citizens of about \$400, in New Jersey. That's a substantial help towards paying their property taxes. I found in my travels around that most of the senior citizens think that that's a pretty good program that we adopted.

SILVER: May I interrupt please?

LITTELL: Sure.

SILVER: You are saying it from a different point of view than I am. Meanwhile, the young folks, and I too have queried the young folks on that. The houses today are astronomical. Even, in small, astronomical in price. Even the small communities in which we live you cannot get anything under

\$35 to \$40,000, which is an astronomical sum for young people to pay. When you consider there's only a small downpayment and the mortgages run anywhere from 8 1/2 - 10%, or 9 1/2% just for mortgage money, that's a great deal of money but if they can purchase it, if they can purchase it, and pay for it, they know that's what they can pay. I fail to see which I have proposed will in anyway affect the price of a new house.

LITTELL: Because you're shifting the burden on the people that are paying at a higher rate, at a higher assessed valuation. Somebody's paying \$4 x \$50,000, they're paying a lot more than somebody's that's paying \$4 x \$10,000.

SILVER: But you would have it anyway. But you see now you are having to give a \$400 approximate exemption to senior citizens which would not have to be given anyway. Take from here and you put over there. It's the same money. It's tax money no matter how you look at it, whether you take it by income tax, property tax, school tax, or you name it. A tax is a tax and therefore, I would like to feel that our property taxes became simplistic. It can be done. And it doesn't take away from anybody, you don't have to buy a house. I hate to become, if you look at what happens happening in California, and it's happening over and over again, where you purchased a house for \$100,000 in the morning, you can sell that house for \$200,000 in the afternoon! It's an absurdity! You can afford to pay for it, that's fine and that's all I say, you buy what you can afford to. You don't go into Tiffany's if all you can afford is Woolworth's. We no longer have any houses on the market, or practically none, which are at Woolworth's prices. We have a lot at Tiffany prices and those pretty close to it and then you are also talking about low cost housing. Under our particular type of assessment, we have lost low cost housing, completely. Almost totally lost low cost housing and I could talk about Sussex County because I have studied it a little bit, I think you know. There was a time you could come into Sussex County, not so long ago,

within the past ten years and purchase a house anywhere between \$10,000 and \$15,000 and not buy an outhouse, like you could probably get today for that money. That's why I say we need a complete change and thank you very much gentlemen.

LITTELL: The housing authority through the cooperation of the town of Newton just developed a beautiful housing facility down there and how many units are there down there? 222 units.

SILVER: But they are subsidized. That money has to come from somewhere. I don't care where you get it from, there's only so much money in the hands of the average person. Now I'm not talking about the millionaire. Or I'm not talking about the person who makes \$100,000 a year. That doesn't make any difference to them. But I'm talking about the person who makes anywhere from \$10, 12, 15 to \$30,000 a year. That is the average person today, and they cannot continually subsidize another segment. This is the basis of my contention. Thank you.

ALBANESE: Thank you very much, Bernadine. Earle Schultheiss.

SCHULTHEISS: Thank you gentlemen for consenting to listen to me. My name is Earle Schultheiss. I am the Mayor of Stillwater Township. I just received my degree L.L.D., which means Law of the Lame Duck. I came here just to listen today but after listening I was compelled to speak. I am going through some observations here, I'm not going to ramble but for my nine years as a township committeeman, I am convinced that the tax structure of the State of New Jersey has to be completely revised in order to be fair. Either overnight or in small stages, I could care less. I am convinced that the further we get away from basing taxes on ad valorem judgments, the better we would be. That's one general observation I'd like to leave with you. Another observation is that revaluations are absolutely worthless unless the coefficient of deviation is within 10% limits or less. Now Stillwater Township was

probably the only township I ever heard of that made a contract with an evaluation company that demanded that when they got done we had a 10% coefficient of deviation or we would refuse to pay them the bill. We only paid them half the price, we still have \$14,000 which they gave up because they didn't meet those specifications. If your coefficient of deviation is not down in those lower levels what good is it do to revalue? We all talk about sales ratio and as far as I'm concerned it's a very little consequence as compared to what the coefficient of deviation means. I agree with Ben Jager that this should be a criteria in every consideration of revaluation, if we're going to have a property tax, based on values. I don't think that there's an evaluation company in the United States that can do a real good job of evaluation if we're going to base it on the sales that are established by real estate people. Here's where Mrs. Silver and I agreed. This thing is so fluctuating all the time that this is no way to do our taxing. Another observation that I'd like to make listening to Mr. Jager, I would like to suggest that in order to reduce the appeals that are building up in the State of New Jersey, the easiest way to do that is to reduce property tax. Now people don't really make appeals until the taxes on their homes get oppressing. And that's when they all come roaring in. And they'll come roaring in after revaluations or anytime the property taxes go up. If we can figure out a way to shift the burden of taxes to another broad base that's based on ability to pay, I think you will solve a lot of those problems if you want to solve them. The reduction of appeals in the county of Sussex may have been due to the fact that the income tax, revenue sharing and all the returns that we got which I think incidentally was poor administration of a tax but this amount of money coming back, it either reduced taxes or did in fact stop them from going up and this may be the reason. I'll tell you, the real thing that set me off was farmland assessment. If we're going to have a property tax, and we're going to assess property on dollar values, then let us

consider what farmland assessment really should be. I imagine that I could get booted out of this place for the statement that I'm going to make. Farmland assessment was designed, as I understand it, to keep farms, open space, woodlands, watersheds and the beauty of nature. That's in places like Sussex County. Now if you want to save farms, woodlands, open space and watersheds, you ought to reduce the taxes on all open space without any requirement whatsoever, of making money on that land. Now the protection that you got to crank in a deal like this is a period of rollback that's more realistic. I could care less in my community whether a man is a speculator or a farmer. I can't tell the difference sometimes. If he tells the tax assessor or the township committee that he wants to keep open space, I think that he should be given the benefit of a lower assessment, and a lower tax as long as he does it. And if he sells it to somebody else, that man also should pledge that he's going to keep it at a lower tax. But the minute that they subdivide and start using it for instance, for housing, the rollback tax should be applied with a vengeance, and with interest. Now, I lost an election by telling people how far back I would like to roll it. Fifteen years. Now you sit down and figure out, this is not excessive. But make it ten years, make it realistic. If a guy keeps a piece of land and woodland, he doesn't farm it, he doesn't make a nickel on it for ten years, he has benefited the community for ten years in watershed and in beauty and in maybe he's farming it and producing farmland products. I can see absolutely no relation between income from land and the qualifications for saying that the man is saving open space. What about the poor farmer who's been farming all his life, he wants to retire on his farm, but about age 50 he gets a heart attack and can't farm anymore and he can't find anybody to run his farm for him or rent it. According to present law, as I understand it, he's now going to be taxed according to values established by the real estate merchants all over the county. This is not right. We're going to destroy

that land. How can a township committee plan an open space for a community and the preservation of farms if you're going to tax every piece of open space on the values that are set by real estate people if the person doesn't make income on it. What difference does it make whether he makes \$500, a nickel, or \$5,000,000 on that piece of property. The fact of the matter is that the farmer is more able to pay his taxes on his open space than the poor retired guy or the fellow that had something handed to him by inheritance who doesn't really want to sell it or subdivide it, he just wants to keep it. The guy that's got the cows has got more ability to pay the taxes than the guy that's got the power of land. And another thing, we always talk about school taxes. Who's going to pay the school taxes. Open space requires no schools. It's the kids in the homes that require the schools. If you're going to tax people for schools, tax the people that cause the schools, and those people are not the retired people, not the old people like me, but the people that are young and are raising kids. Now I'm not forgetting the kids, don't misunderstand me there. I think that they should be given a chance too. But, the open space instead of requiring things from the community, and I'm speaking about farms, woodlands, marshes, and the whole bit, provides beauty, watershed, farm products, forestry products, it cleans the air, and has a benefit for everybody from Sussex County clear down to New York. You can come up and look at it. So I would urge you, if you have anything to do with the reform of taxes and you're going to stay with property tax, extend the farmland assessment to an open space tax with a big rollback. Period. Now, if we get more use to the income tax, and if it's properly administered, you say now what about the guy that comes up from Sussex County and wants to speculate in land and he sells a farm to me? And I hang onto it for a while as open space and then I sell it over here to this guy for about \$2,000,000? You get him with a capital gains tax. I submit to you gentlemen that I bought a piece of land up here and my sons and I own it and we paid something like \$100 an acre for it and it wasn't too long ago. I'll

bet you I can sell some of that land for \$2,000 and \$3,000 an acre. Now why is that land worth \$3,000 an acre? It's worth \$3,000 an acre because Route 80 went and Kittatinny High School was built, because the services in Sussex County have increased. In other words, the community has spent money and has raised the value of my land. Now I'm not a Communist and I think I should get some profit off that land for investing in it, but not the difference between \$100 and \$3,000. That's the end of that subject. Now we got to talking about another thing. About charitable exemptions. That's a lovely subject. I'm not going to tell you too much about my religion, I am a religious person, I go to church, I'm a Presbyterian but I think that the Presbyterian parsonage ought to be taxed. Why? I'll tell you how far I go with this. Now again, if you're going to have a property tax, let's tax everybody fairly. Now the church has a parsonage. They have children going to school. That home ought to be taxed, even if there are no children in it. The home, the church is a threat to the community in that it demands school services. I think it should be taxed. I think that the homes that are sitting on all these campgrounds where they have caretakers, those homes should be taxed. Now if you don't tax the church building, that makes sense, because that demands very little services. You might just charge them the taxes for the road services or other municipal services. The same thing with fraternal organizations. Why should a fraternal organization or a golf course, maybe, I don't know, I don't want to get into that one, but let's take fraternal organizations. Why should a fraternal organization pay a school tax? All the people that belong to it pay a school tax on their homes. But they should be charged a tax for the roads that go by the place, the police protection, etc. etc. So figure it out from there. And that's the way I would handle those exemptions. And another

thing that gets me, if you remember we had some kind of a controversy up here about an organization that was seeking tax exemption or tax exempt status from the Federal Government. I don't remember the name of the organization but they wanted to put about 400 children up here in a camp that we have that's not being used and they wanted to send some or all of them to our local public schools. 400 kids. According to the present law, we'd probably raise this money off the land and the homes of the people in Stillwater Township. Now that's not fair, that's not right. Now it isn't right for Stillwater to say to these disadvantaged kids, you can't come into our community. I am one to say, O.K., if you want to build a foster home in Stillwater Township, and you have proper water and sewage facilities, then you should be allowed to build it. I don't care if the kids are black, yellow or green. Somebody has to take care of these kids. But when it comes to paying the school bill, I think the State should pay the tuition to the local school district, and that's something that's sadly lacking. A lot of these things happen, these local communities, and we get saddled with school bills we shouldn't be saddled with. For instance, some family takes in three or four foster children. Who pays the school bill for that? It's the local taxpayers. If we're going to take care of foster children who need to be taken care of, God bless the people who have the patience to take care of them, they're not getting paid enough to pay the school bill. The State should pay that school bill. There should actually be a tuition, or better yet, the tuition should come from the place where these people's parents live, because a lot of these people come from homes where they have the money to pay for them. Take your choice. Now there's one other thing that I lost election on. That's the gross receipts tax. I think I got the right one. Somebody thought I was proposing a new tax. That's a tax that's been around for 40 some years. Now that tax, and Eloise is a friend of mine and she's going to hate me for this, that tax is collected, I think it's 7%, am I right, 7% is the public utility

bill, the light bill. Now I think that ought to be abolished, or distributed according to population. I think that's an unfair tax. Why should I pay my taxes in my community and everytime I pay a light bill I pay taxes from another community because they happen to have the plant over there. That's why they collect it. I may have that all wrong, but I'm pretty sure that's right. And this ends the subject, gentlemen, thank you.

ALBANESE: Earle, I wouldn't advise you to ride through Blairstown alone.

Bob, do you have anything to add?

LITTELL: Well, I just want to say that with regard to that franchise and gross receipts tax, Earle, one of the purposes of establishing something like that to entice a municipality to have that type of facility. If you take some of the nuclear generating stations today, they're a lot less popular than the pump storage project in Blairstown. There are a lot of municipalities where people would not want them and they wouldn't even accept them with the tax, so if you eliminate it all together, nobody's going to want any of those facilities and you have to put them someplace. As a matter of enticement to those municipalities, Holland Township gets it down in Hunterdon County for a natural gas facilities that they have down in there and there are probably some people who wish in Holland Township that they didn't have it. They would probably pay more taxes. But they have it and that municipality benefits from it.

SCHULTHEISS: I see your point. But they have the plant to tax. They still can tax the plant. I'm not taking Blairstown as an example, I can't remember the name of the township, but every citizen, man, woman and child in one of these little townships, gets something like back to them from the gross receipts tax, something like \$3,000 or \$4,000.

DEARDORFF: In Salem County.

SCHULTHEISS: Yes.

LITTELL: It may be getting out of proportion because of the tremendous inflation involved with energy. There certainly might be a reason to freeze it at existing

levels. But I'm not sure if we want to do away with it completely, because I think that you'd find out that we'd all be hard-pressed for establishing new facilities, and we certainly are going to continue to need energy facilities.

SCHULTHEISS: It's just like the landfill. Everybody wants a landfill in the other townships. I know what your point is but I think it's out of reason. I wouldn't have ever come up here and made a talk about this, but I just added this on because it occurred to me. My main concern is open spaces assessment. I hate to see anybody even breathe that we increase. I have humped by back and have hired people to try to make the \$500 on 140-acre farm. You really have to work at it.

LITTELL: May I speak. What do you think of the program that we now have underway in Burlington County as a pilot project where the State's buying development rights and the farmer continues to own the land and continues for just the minimal tax. He still pays taxes on it.

SCHULTHEISS: What does he pay taxes on?

LITTELL: He only pays taxes based on the farmland assessment only.

SCHULTHEISS: But what if he doesn't farm it?

LITTELL: It can't be used for anything but farming.

SCHULTHEISS: But why should he sit there, he can't develop it, I understand that. If he doesn't farm it and keeps it fallow, he still gets farmland assessment. But up in Sussex County if you try that, you might get a real estate value thrown at you. This is all very fine. I don't think there's a simple answer to keeping open space, but taxes is one of the big answers. I think that probably would work and I think you have to develop some kind of a tax because there are people who will swap huge tracts of land for a large amount of money and carry this easement, or whatever you call it and they will benefit from such things such as Route 80, good schools, and so on and so forth. I don't think anybody, as I

mentioned before, I don't think, I myself, should make \$2,900 on 1 acre of land because Route 80 went through and it's more accessible at the cost of the general taxpayers or because I got a good high school now. You see? I don't think that I earned that. That's probably Communism, but I still don't think it's right. I think that the community has the right to tax some way that makes those kinds of profits. I didn't want to bring up the word, but I think an income tax should be applied, if no other place, but on an unearned capital gain. I don't mean unearned income. That's not what I'm talking about. Unearned capital gain. Because the community earned it, he didn't earn it.

ALBANESE: May I have your attention? I know, Earle, you are one who is deeply concerned with open spaces as you have conveyed that thought to me many times. I want to thank everyone for being here and again, if anyone wants to add anything to this Committee, please just send it to the General Assembly Taxation Committee, State House, Trenton, and we will get it. That closes the hearing for today.

## REPORT OF THE EXEMPTION STUDY COMMITTEE

RE: 100% DISABLED VETERAN EXEMPTION AND VETERAN DEDUCTIONS

The Committee sent out to each taxing district, through the County Associations, by way of the Tri County Chairman, forms to be filled out regarding 100% Disabled Veterans and Veteran Deductions. The Committee met for the first time in March, 1974 to determine the information needed and how to gather the information. There were meetings with Senator Bateman and Assemblyman Cody, they expressed interest in our concern over the trend the Exemption Laws seemed to be taking, namely the relaxing of the requirements for qualification and the implementation of the laws governing same.

Many meetings were held as the forms began coming in and the information received was correlated. The last meeting was held in October 1975 at which time we finalized the compilation of forms which had been returned.

567 forms had been sent out and 302 were returned, <sup>453</sup> or 38%. Of the 302 returned 198 were completed, 104 were partially complete - most were complete regarding the 100% Exemptions but many were incomplete regarding Veteran Deductions (See attached chart.)

The Committee feels that the number of returns is sufficient enough and accurate enough to enable us to say that doubling the figures would give reasonably accurate totals for the entire State.

### 100% DISABLED VETERANS

Based on 53% return some of the most significant factors that show up are:

1. In 1971 there were approximately 235, 100% Disabled Veterans receiving the exemption, as of October 1974, this has increased to 724 or an increase of 208%.
2. The assessed value (equalized) exempt in 1971 was 8,000,000 +, in 1974, 24,000,000 or an increase of approximately 300%.
3. The tax dollar loss increased from 295,000 in 1971 to 809,000 in 1974 or an increase of 174%.
4. Most significant is that of 724 exemptions granted in 1974, 486 or 67% would not, (in the opinion of the Assessors) have been able to qualify under the conditions spelled out by the law as it stood in 1971. (Many examples of inequities or questionable exemptions granted are included with the individual forms filled out by the Assessors.)

5. Not spelled out on the chart is the fact that there were 9 widows receiving the 100% exemption in 1971 and in 1974 this had increased to 28 and increased of 211%.
6. The Committee erred in not asking where (what state) the Disabled Veteran entered the service from, so no statistics are available.
7. Indications are that the total figure will increase by 100-150 for the year 1975. (100% Disabled Veterans receiving the Exemption.)

#### VETERAN DEDUCTIONS

Here we were trying to determine the number of Veterans, receiving the deduction, that entered the service from New Jersey.

The accuracy of these figures is born out by checking with the 1974 Annual Report of the Division of Taxation, in which there is reported 443,120 Veterans receiving the \$50.00 deduction. We have 53% of the Districts reporting and show a figure of 236,443, very close. When figured at 100%, 446,118.

Of the reported 236,443 only 147,977, or 63% entered the service from the state of New Jersey.

Many of the partially complete forms the Committee received, had given a total number of Veterans only and not a breakdown of those entering from New Jersey and those entering from other states. In order to arrive at a breakdown in these categories the same average percentage arrive at for those reporting fully in a particular County, was used for those not reporting.

Included in the total collecting the deduction are 6,871 widows or 3% of the total.

The total tax dollar loss when figured at 100% would be:

100% Disabled Veterans	\$ 1,526,000
Veteran Deductions	22,300,000
	\$23,826,000 Tax Loss
<b>Total</b>	

Respectfully submitted

Exemption Study Committee  
Charles W. Fouquet-Chairman

EXEMPTIONS  
100% DISABLED VETERANS

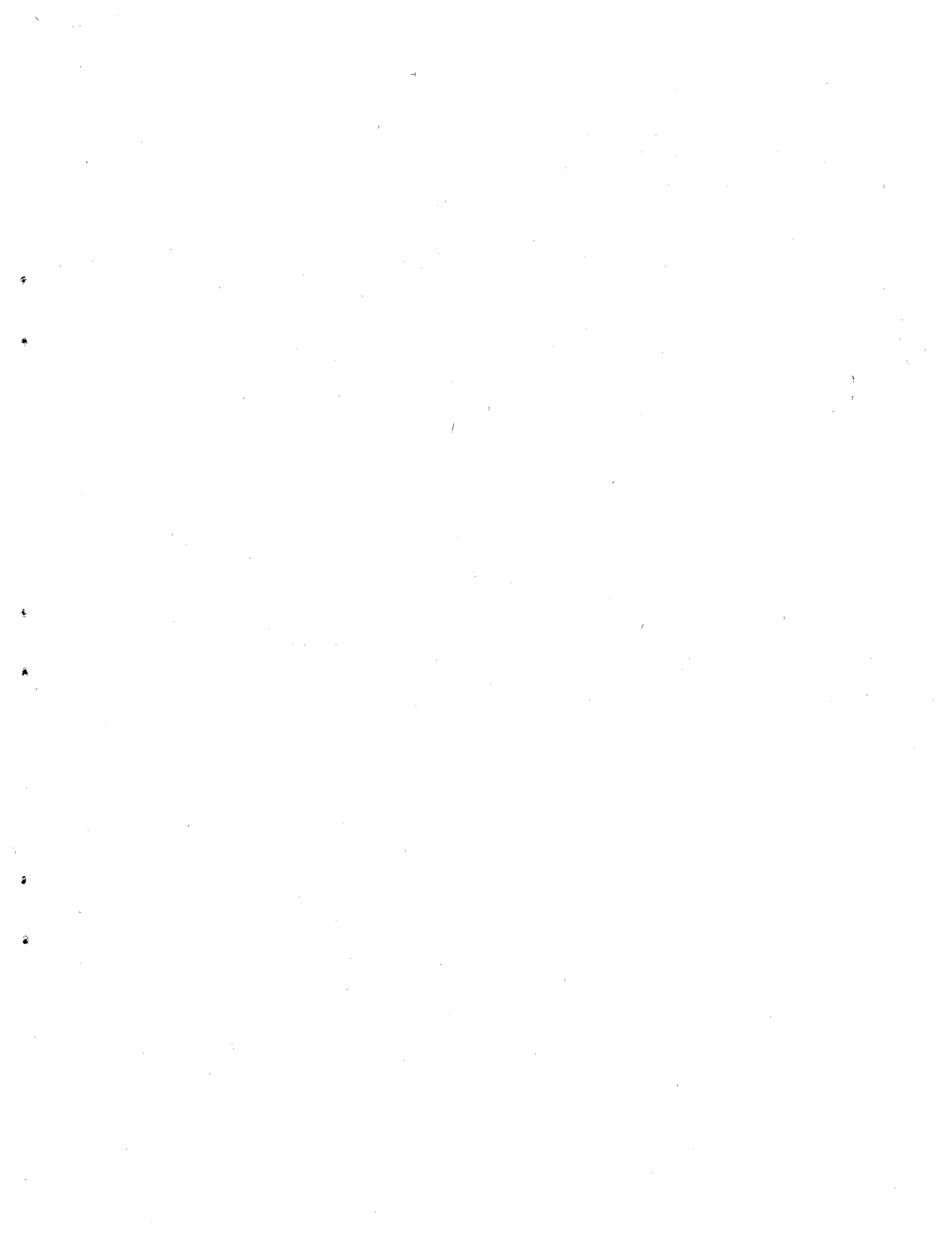
VETERAN DEDUCTIONS

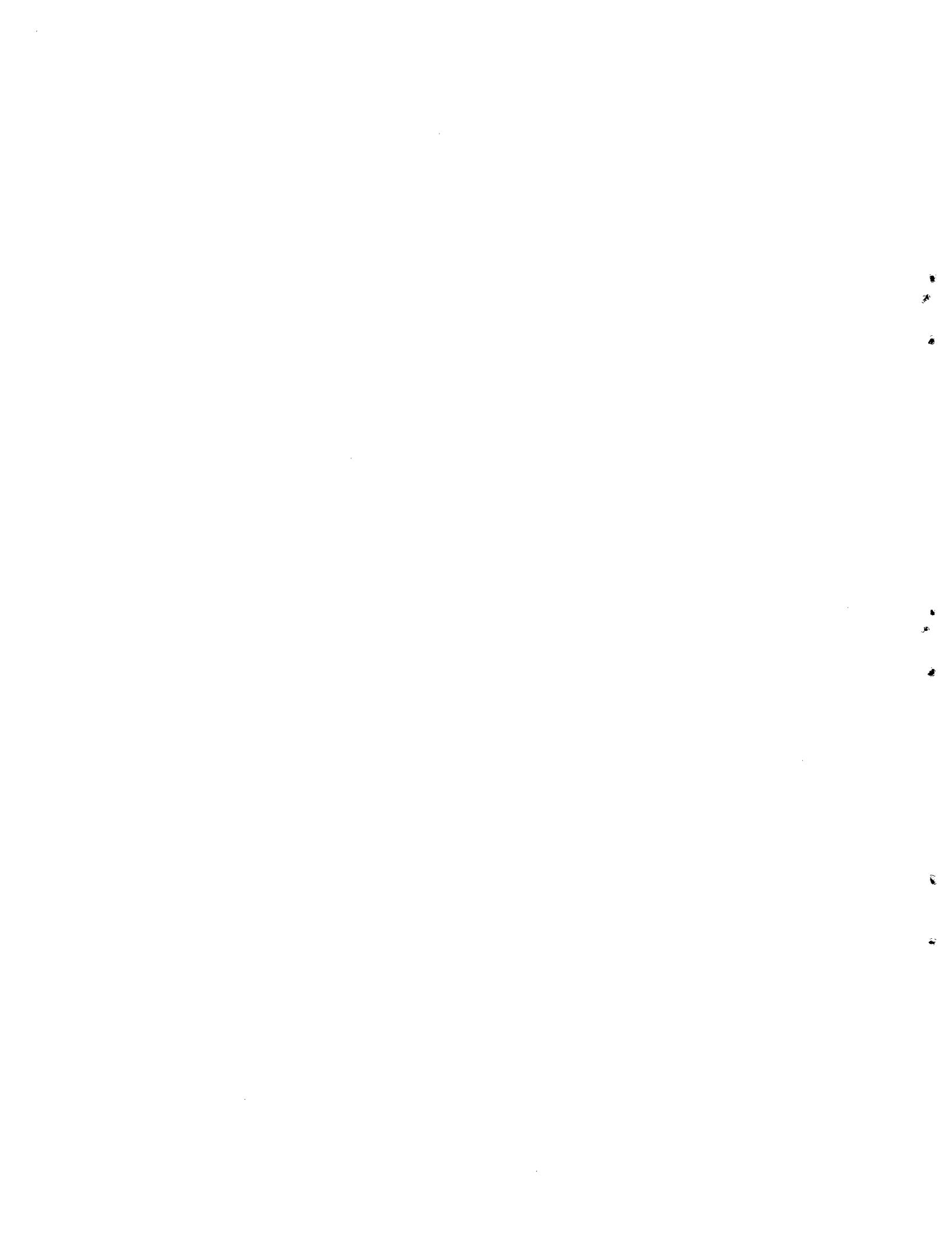
COUNTY	NO. OF DISTRICTS	Forms Returned				Exemptions			N.M. %N.M		Assessed Value (Equal.)			Taxes			Allowed (as of October 1974)			Widows		Remarks
		C	P	Tot.	%	1971	1974	%	Req.	Req.	1971	1974	%	1971	1974	%	N. J.	Other	Total	%	#	
1. Atlantic	23	10	2	12	.52	5	21	320	18	.86	119,600	482,900	304	4,424	11,904	237	3,741	2,391	6,132	.81	503	.08
2. Bergen	70	15	13	28	.40	22	47	113	29	.43	962,500	2,299,600	138	32,939	74,078	104	14,403	11,289	25,692	.70	703	.01
3. Burlington	40	7	6	13	.33	15	45	150	36	.80	441,600	1,256,300	185	16,171	43,643	156	2,015	4,896	6,911	.77	206	.01
4. Camden	37	13	5	18	.49	3	30	900	26	.87	77,600	713,500	819	3,607	25,976	620	5,441	7,126	12,567	.73	272	.02
5. Cape May	16	6	4	10	.63	3	13	113	9	.69	51,100	264,300	417	1,511	6,635	339	1,504	2,095	3,602	.71	142	.01
6. Cumberland	14	5	4	9	.64	7	19	171	14	.74	160,000	405,100	153	6,985	14,949	114	4,151	1,107	5,258	.79	277	.05
7. Essex	22	6	5	11	.50	33	47	104	24	.51	645,400	1,569,500	144	30,240	81,411	180	8,192	3,464	11,656	.70	227	.02
8. Gloucester	24	6	6	12	.50	8	34	325	23	.74	195,400	841,300	332	7,574	27,858	268	3,751	4,018	7,769	.45	224	.01
9. Hudson	12	1	1	2	.17	6	25	216	19	.76	81,500	337,300	311	5,551	21,544	288	3,851	2,071	5,925	.67	82	.02
10. Hunterdon	26	17	1	18	.69	0	2	*	2	100	-0-	64,400	*	-0-	1,334	*	2,301	839	3,140	.73	101	.01
11. Mercer	13	0	3	3	.23	1	3	200	2	.66	27,700	100,300	262	1,048	3,479	232	756	482	1,260	.62	27	.02
12. Middlesex	25	10	10	20	.80	24	74	208	60	.81	1,288,800	2,678,000	107	38,951	77,497	99	26,207	11,212	37,419	.70	619	.01
13. Monmouth	53	11	14	25	.47	29	95	231	46	.48	803,300	3,147,000	291	32,718	111,352	240	7,162	4,084	11,246	.64	401	.01
14. Morris	39	17	8	25	.64	17	30	76	17	.57	527,300	1,451,300	173	24,182	46,518	101	14,285	6,957	21,242	.62	363	.02
15. Ocean	33	20	5	25	.76	19	113	405	95	.84	486,300	2,233,300	565	14,614	68,411	307	11,251	5,783	17,034	.71	669	.01
16. Passaic	16	3	1	4	.25	7	15	114	8	.53	286,300	737,400	118	8,061	22,412	156	5,595	3,735	9,330	.68	131	.02
17. Salem	15	5	1	6	.40	-0-	2	*	1	.50	-0-	74,500	-*	-0-	4,569	*	1,746	421	2,167	.61	132	.06
18. Somerset	21	16	5	21	100	5	24	380	15	.63	237,900	896,500	277	7,786	31,956	310	5,827	5,604	11,431	.61	376	.01
19. Sussex	24	10	1	11	.46	1	1	0	0	0	47,300	46,500	-2	2,074	1,829	-13	1,411	407	1,818	.79	68	.04
20. Union	21	13	5	18	.86	34	71	108	40	.56	1,485,300	3,003,800	102	51,200	89,408	75	21,601	11,606	33,207	.64	1009	.02
21. Warren	23	7	4	11	.49	3	12	300	9	.75	94,500	372,700	294	4,138	12,862	213	2,663	874	3,537	.75	114	.03
	567	199	104	302	.53	235	724	208	466	.67	8,332,200	23,971,500	189	284,756	808,045	174	147,977	88,166	236,143	.60	4371	.03

1. Completed forms
2. Partially completed forms
3. Percentage of Districts returning forms
4. Percentage increase
5. Number of Disabled Vets that could not meet the requirements as they were in 1971.
6. Percentage not meeting 1971 requirements

7. Percentage of increase
8. Percentage of increase
9. Entered service from New Jersey
10. Entered service from other states
11. Percentage entered service from New Jersey
12. Widows claiming Veteran Deduction
13. Percent of total

\* Includes 9 Widows  
\*\* Includes 28 Widows





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