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Weinstein

Re-elected president of the School, Arnold A. Weinstein pledged renewed efforts toward promoting wider acceptance of George's principles of justice and to carrying forward his fight against special privileges. To move toward these goals, we need reach not only a wider audience but a more influential one, Weinstein said, adding that we can achieve these ends only as the School gains credibility in the public's eyes.

The School's several programs are designed to educate and at the same time advance its position as an authoritative source of current information, he explained. "It is to be hoped," he said, "that the initial encouraging impact of our research findings will continue to spread and gather momentum. We have every reason to believe the data on real property taxation that we are publishing will be used in classrooms around the country as well as in our own."

Also re-elected as vice president was Lancaster M. Greene, who, at 75, is the dean of the School's activists. Richard D. Friedlander was elected treasurer; Stanley Sinclair, secretary. Leonard T. Recker was named treasurer emeritus in recognition of his long devotion to the School.

Center release tax study

The School's Center for Local Tax Research released its first of a series of studies on effective real property tax rates in late February. Covering the New York-New Jersey metropolitan area, the report makes available for the first time a method for comparing the true tax rates on all kinds of property as well as the different rates paid for similar land use in the various communities in the area.

The study was made public at a press conference at the School attended by officials, academicians and media representatives. It was followed by stories in all the metropolitan dailies and a vast number of weekly publications as well as reports on local news radio stations. In response, the School received close to 500 requests for copies of the report. Requests came from mayors of surrounding cities, local legislators, executives of such corporations as IBM and Allied Stores, commercial and savings banks, environmentalists and interested individuals.

The effective tax rate measures the percentage of market value (rather than assessed value) of a property that the taxpayer actually pays. Thus, when residential property in Glen Cove, L.I., for example, is taxed at the nominal rate of 20.1% of its assessment, the actual tax paid is only 3.8% of the property's true value as indicated by recent sales of comparable property. In Long Beach—also in Nassau County (see chart page 2) the nominal tax rate is 18.69%, but relatively high assessment keeps the effective rate on residential property at a relatively big 6.9%, the report shows.

The study encompasses all taxing jurisdictions with population of more than 5,000 in the New York-New Jersey metropolitan area and includes residential, commercial and industrial property as well as vacant land. The New York counties covered in the report are the five boroughs of the City plus Nassau, Suffolk, Westchester, Putnam, Dutchess, Rockland, Orange, Sullivan and Ulster. The New Jersey counties are Bergen, Hudson, Essex, Middlesex, Morris, Monmouth, Mercer, Ocean, Passaic, Union, Somerset and Warren. Future series will also include southwestern municipalities in Fairfield County Connecticut as part of the metropolitan region.

The report "Effective Real Property Tax Rates in the New York Metropolitan Area," shows that:

- The highest effective tax rate is more than ten times the lowest.
- Northern New Jersey property owners pay substantially less tax than they would for comparably-valued property in Suburban New York.
- Westchester and Nassau Counties bear some of the highest tax burdens in the area.
- Highest effective rates overall were shown for the city of Long Beach in Nassau County, N.Y. and in Orange and East Orange in Essex County, N.J.
- Among the tax "bargains" in the nearby metropolitan area are Ridgefield in Bergen County, N.J. and Bronxville in Westchester, N.Y.

A Scientific Study of the Tax Structure

The program of the Center for Local Tax Research was designed to develop answers to two questions of prime importance to all localities:

> What is the area's real property Tax base?
>
> What is the real rate of taxation being levied on that base?

The New York Metropolitan Area stretches across parts of three states, encompasses 31 counties, and 1,845 taxing jurisdictions.

The derivation of effective tax rates includes consideration of current data on market value of the real property, the relation of assessment to real value, and annual nominal tax rates. All of these factors are covered in the Center's studies.

The Problem

(From the *New York Times* editorial page February 9, 1976) ". . . The real estate tax, keystone of the revenue system, is a particularly appropriate target for . . . review and reform. There is general agreement among tax experts that administration of property assessments . . .

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