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**RESOLUTION OF THE TOWNSHIP OF WEST DEPTFORD
SUPPORTING S-1896/A-1503 SHARING THE BURDEN
OF PROPERTY ASSESSMENT APPEAL REFUNDS**

WHEREAS, when County Tax Board appeals are successful, the municipality must reimburse the property taxpayer 100% of the appealed tax levy, which includes the municipal, school, county and any special districts tax; and

WHEREAS, the municipal tax collector must then adjust the taxpayer's fourth quarter tax bill, resulting in the municipality's fund balance for the preceding year being diminished, if not completely depleted; and

WHEREAS, in recent years, municipalities have experienced a large spike in tax appeals caused by the economic down-turn, which lowered property values and placed increased stress on the income of homeowners all around our Garden State; and

WHEREAS, successful tax appeals have a four-fold negative impact on municipal budgets; first by requiring the municipality, as the collector of taxes for the School district, county and special districts, to fund the full cost of the legal defense of the assessment; and

WHEREAS, the second negative impact on municipal budgets results from State law, which guarantees to the county and the school district 100% of their levies, hence forcing the municipality to bear the full cost of any reimbursements resulting from the appeal, as well as the full burden for any uncollected taxes; and

WHEREAS, the third negative impact on municipal budgets ensues because the refunds and credits negatively impact the municipality's tax collection rate, resulting in a State required increase in the appropriation for the Reserve for Uncollected Taxes (a non-exempt from cap budget expenditure); and

WHEREAS, fourth, the end result is a further decline in the property tax base used to support municipalities, county governments, school systems and any fire or other special purpose districts, which will necessitate tax rate increases to raise the same amount of revenue; and

WHEREAS, in light of the revenue limitations that have been placed on all levels of local government by the Legislature (2% cap), such declining values will compound and add additional stress to local public officials, as they grapple with the issues confronting the tax paying public.

WHEREAS, Senator Anthony R. Bucco, Assemblyman Michael Patrick Carroll and Assemblyman Anthony M. Bucco have recently introduced Senate Bill S-1896/Assembly Bill A-1503, which requires fire districts, school districts, and county governments to share in burden of property assessment appeal refunds;

NOW, THEREFORE, BE IT RESOLVED, by the West Deptford Township Committee of the Township of West Deptford hereby urge the swift passage and signing of S-1896/A-1503; and

BE IT FURTHER RESOLVED, that copies of this Resolution be forwarded to New Jersey Governor Christopher Christie, to Senate President Stephen Sweeney, to Assembly Speaker Sheila Oliver, to our State Senator, to our two Representatives in the General Assembly, and to the New Jersey League of Municipalities.

DISTRIBUTION LIST

1. The Hon. Chris Christie,
Governor, State of New Jersey
PO Box 001
Trenton, NJ 08625
Phone (609) 292-6000
Fax (609) 292-3454
2. The Hon. Stephen Sweeney,
Senate President,
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State House PO Box 099
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3. The Hon. Sheila Oliver,
Speaker, NJ General Assembly
Assemblywoman, District 34
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4. NJ League of Municipalities
222 West State Street
Trenton, NJ 08608
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NJLeague@njslom.com
5. Senator Rob Andrews,
Deputy Speaker John J. Burzichelli and Assemblywoman Celeste M. Riley

ADOPTED at a meeting of the Township Committee of the Township of West Deptford held on April 18, 2013.

TOWNSHIP OF WEST DEPTFORD

By:


RAYMOND CHINTALL, Mayor

ATTEST:


AMY LESO, RMC, Township Clerk

SENATE, No. 1896
STATE OF NEW JERSEY
215th LEGISLATURE

INTRODUCED MAY 14, 2012

Sponsored by:

Senator ANTHONY R. BUCCO
District 25 (Morris and Somerset)

SYNOPSIS

Requires fire districts, school districts, and county governments to share in burden of property assessment appeal refunds.

CURRENT VERSION OF TEXT

As introduced.

AN ACT concerning property tax refunds required by successful property assessment appeals, amending various sections of statutory law and supplementing chapter 4 of Title 40A of the New Jersey Statutes.

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

1. (New section) a. The total of the amount of property tax appeal refunds paid by a municipality during a tax year shall be apportioned by the municipal tax collector between the municipality, county, school district, fire districts and any other taxing district operating within the boundaries of the municipality.

b. The tax collector shall send a notice to the county, school district, fire districts, and any other taxing district, setting forth their pro rata share of the property tax appeal refunds paid by the municipality during the tax year, for inclusion into their subsequent annual budgets.

c. In the year following the tax year in which the property tax appeal refunds were paid, the municipal tax collector shall deduct the applicable pro rata share from the amounts to be paid to the county and each school district, fire district, and any other taxing district, as required by N.J.S.40A:14-79, R.S.54:4-74, and R.S.54:4-75.

2. N.J.S.40A:14-79 is amended to read as follows:

40A:14-79. Upon proper certification pursuant to section 9 of P.L.1979, c.453 (C.40A:14-78.5), the assessor of the municipality in which the fire district is situate shall assess the amount to be raised by taxation to support the district budget against the taxable property therein, in the same manner as municipal taxes are assessed and the said amount shall be assessed, levied and collected at the same time and in the same manner as other municipal taxes.

For the purposes of this section:

"District tax due" or "tax due" means the amount so assessed less the district's proportionate share of the property taxes refunded by the municipality in the preceding tax year pursuant to subsection a. of section 1 of P.L. , c. (C.) (pending before the Legislature as this bill).

The collector or treasurer of the municipality in which said district is situate shall pay over all [moneys so assessed] district tax due to the treasurer or custodian of funds of said fire district as follows: on or before April 1, an amount equaling 21.25% of all [moneys so assessed] tax due; on or before July 1, an amount

equaling 22.5% of all [moneys so assessed] tax due; on or before October 1, an amount equaling 25% of all [moneys so assessed] tax due; and on or before December 31, an amount equaling the difference between the total of all [moneys so assessed] tax due, and the total [amount] of the quarterly amounts of such moneys previously paid over[,]to the fire district. These moneys are to be held and expended for the purpose of providing and maintaining means for extinguishing fires in such district.

Notwithstanding anything herein to the contrary, the municipal governing body may authorize, in the cash management plan adopted by it pursuant to N.J.S.40A:5-14, a schedule of payments of fire district [moneys] tax due by which an amount greater than required on any of the first three payment dates cited herein may be paid over. The municipal governing body and board of fire commissioners may, by concurrent resolution, adopt a schedule of payments of fire district [moneys] tax due by which an amount less than required on any of the first three payment dates cited herein may be paid over. Such resolution shall be included in the cash management plan adopted by the municipal governing body pursuant to N.J.S.40A:5-14.

The commissioners may also pay back, or cause to be paid back to such municipality, any funds or any part thereof paid to the treasurer or custodian of funds of such fire district by the collector or treasurer of the municipality, representing taxes levied for fire district purposes but not actually collected in cash by said collector or treasurer.

(cf: P.L.1985, c.288, s.4)

3. R.S.54:4-74 is amended to read as follows:

54:4-74. For the purpose of this section:

"County tax due" or "tax due" means the amount so assessed less the county's proportionate share of the property taxes refunded by the municipality in the preceding tax year pursuant to subsection a. of section 1 of P.L. , c. (C.) (pending before the Legislature as this bill).

The governing body of each municipality shall cause to be paid to the treasurer of the county, in four installments, the amount of county tax due, and the other county taxes required to be assessed and raised in such municipality, on the fifteenth day of the month in which each installment of taxes shall become payable, except, that in those years when the third installment has been determined by the tax collector to be due after August 10, the installment shall be due no later than five days after the twenty-fifth day from when the tax bill was mailed or otherwise delivered pursuant to subsection a. of R.S.54:4-64, but no later than September 15. The amount to be payable as each of the first two installments shall be one-quarter of the total [tax] county tax due and one-quarter of the other total county taxes finally levied against the municipality for the preceding year, and the amount to be payable for the third and fourth installments shall be the county tax due, and for the other county taxes the full tax as levied, for the current year, less the amount charged as the first and second installments. The total amount thus found to be payable as the last two installments shall be divided equally for and as each installment. The governing body of each municipality shall cause to be paid

to the county treasurer on December fifteenth of each year all of the taxes required to be assessed and raised by taxation in such taxing district for state school and other state purposes.

(cf: P.L.2007, c.62, s.36)

4. R.S.54:4-75 is amended to read as follows:

54:4-75. For the purpose of this section:

"School tax due" or "tax due" means the amount so assessed less the school district's proportionate share of the property taxes refunded by the municipality in the preceding tax year pursuant to subsection a. of section 1 of P.L. , c. (C.) (pending before the Legislature as this bill).

The governing body of each municipality shall pay over to the board secretary or treasurer of school moneys, as appropriate, in the case of school districts in which appropriations for school purposes are made by the inhabitants of the school district, within forty days after the beginning of the school year, twenty per centum (20%) of the [appropriation for local school purposes] moneys from school tax due, and thereafter, but prior to the last day of the school year, the balance of the moneys [raised in the municipality] from school tax due for school purposes in such amounts as may be requested from time to time [be requested] by the Board of Education, within thirty days after each request. The Board of Education shall not request any more money at any one time than shall be required for its expenditures for a period of eight weeks in advance; provided, however, that the Board of Education may at any time, but not earlier than fifteen days prior to the beginning of the school year, request sufficient moneys to meet all interest and debt redemption charges maturing during the first forty days of the school year. The governing body may make payments of such moneys in advance of the time and in excess of the amounts required by this section. Notwithstanding provisions of this section to the contrary, in those years when the third installment of property taxes has been determined by the tax collector to be due after August 10, the installment shall be due no later than five days after the twenty-fifth day from when the tax bill was mailed or otherwise delivered pursuant to subsection a. of R.S.54:4-64, but no later than September 1.

(cf: P.L.2010, c.39, s.36)

5. R.S.54:4-76 is amended to read as follows:

54:4-76. The governing body of the municipality or the county shall cause the county tax due, as calculated pursuant to R.S.54:4-74, and other county taxes levied, [local] school tax due, as calculated pursuant to R.S.54:4-75, taxes due to other taxing districts, and State taxes to be paid as and when due for payment. If there shall not be sufficient funds in the treasury available for such payments, the governing body shall immediately borrow sufficient money and pay such taxes due. The board of chosen freeholders of each county may by resolution fix the rate of discount to be allowed for the payment to the county treasurer of county taxes previous to the date on which they will become due for payment. The rate so fixed shall not exceed six per centum per annum, and shall be allowed only in case of payment on or before the thirtieth day previous to the date on which said taxes will become due for payment to the county treasurer. On any part of the taxes payable to the county treasurer and on any part of the taxes payable to the State by the county treasurer, which shall remain unpaid after the time within which they are required to be paid by this chapter, the taxing district or county in arrears shall pay to the county or State, as the case may be, interest at the rate of six per centum per annum upon the delayed payment.

(cf: P.L.1940, c.21, s.1)

6. This act shall take effect immediately.

STATEMENT

This bill requires county governments, school districts, fire districts and other taxing districts to share in the burden of paying for property tax refunds. Under current law, only the county shares in this burden with municipalities through the county tax equalization process. The bill requires the municipal tax collector to send a notice of the pro rata share of the property tax appeal refunds paid by the municipality during the tax year to the county, school districts and fire districts for inclusion into their annual budgets. In the year following the tax year in which the refunds were paid, the municipal tax collector is then required to deduct the applicable pro rata share of the property tax refunds from the amounts to be paid to the county and each school district and fire district as required by N.J.S.40A:14-79, R.S.54:4-74 and R.S.54:4-75.