

LEGISLATIVE HISTORY CHECKLIST
Compiled by the NJ State Law Library

(Municipal budgets--permit adoption of July 1 fiscal year)

NJSA: 40A:1-1 et al

LAWS OF: 1991 **CHAPTER:** 75

BILL NO: A4425

SPONSOR(S) Bryant and others

DATE INTRODUCED: January 17, 1991

COMMITTEE: **ASSEMBLY:** Municipal Court
SENATE: County and Municipal Government

AMENDED DURING PASSAGE: Yes Amendments during passage denoted by asterisks

DATE OF PASSAGE: **ASSEMBLY:** February 4, 1991
SENATE: March 14, 1991

DATE OF APPROVAL: March 28, 1991

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes
SENATE: Yes

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

(over)

DEPOSITORY COPY
Do Not Remove From Library

See newspaper clippings attached:

"Senate Dems push through budget calendar measure on party-line vote
3-15-91, Star Ledger.

"Budget year switch approved for 50 municipalities in state," 2-5-91,
Star Ledger.

"Assembly to vote on changing appeal system for property assessments,"
2-3-91, Star Ledger.

KBG:pp

[SECOND REPRINT]
ASSEMBLY, No. 4425

STATE OF NEW JERSEY

INTRODUCED JANUARY 17, 1991

By Assemblymen BRYANT, PASCHELL,
Assemblywoman Mullen, Assemblymen Watson,
Gill and Duch

1 AN ACT concerning local fiscal years, amending and
2 supplementing various parts of statutory law

3

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

6 1. N.J.S.40A:1-1 is amended to read as follows:

7 40A:1-1. The following words, as used in this title, shall have
8 the following meanings unless the context clearly indicates a
9 different meaning:

10 "budget" means the budget of a local unit;

11 "cash basis budget" means a budget prepared in accordance
12 with the "Local Budget Law";

13 "clerk" means the clerk of a municipality or of a board of
14 chosen freeholders;

15 "director" means the Director of the Division of Local
16 Government Services in the Department of [the Treasury]
17 Community Affairs.

18 "fiscal year" means the period for which a local unit adopts a
19 budget, as required pursuant to the "Local Budget Law,"
20 N.J.S.40A:4-1 et seq., and shall be the calendar year beginning on
21 January 1 and ending on December 31, unless the local unit is a
22 municipality ¹in¹ which ¹[has adopted] the fiscal year has been
23 changed to the State fiscal year¹, pursuant to ¹section 2 or 3 of¹
24 P.L. , c. (C.) (pending before the Legislature as this
25 bill), ¹[the State fiscal year. The first fiscal year for which a
26 municipality adopting the State fiscal year adopts a budget shall
27 be a transition year] in which case, "fiscal year" shall mean the
28 State fiscal year or the transition year, as appropriate¹:

29 "full membership of a governing body" means the number of
30 members of the body when all the seats are filled.

31 "local [government] finance board" means the Local
32 [Government] Finance Board in the Division of Local Government
33 Services in the Department of [the Treasury] Community Affairs;

34 "local unit" means a county or municipality,

35 "municipal public utility" means any water, sewer, electric
36 power or gas system, or any combination thereof, or any public

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the
above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly AMG committee amendments adopted January 31, 1991.

² Senate floor amendments adopted March 11, 1991.

1 parking system, or any other utility, enterprise or purpose
2 authorized to be undertaken by a local unit from which it may
3 receive fees, rents or other charges.

4 "State fiscal year" means the period commencing on July 1 and
5 ending on June 30 in any municipality ¹in¹ which ¹the fiscal
6 year¹ has ¹been¹ changed ¹[its fiscal year]¹ pursuant to section 2
7 ¹or ³¹ of P.L. , c. (C.) (pending before the Legislature
8 as this bill);

9 "transition year" means the period beginning on January 1 and
10 ending on June 30 in the calendar year during which the change in
11 a municipality's fiscal year takes effect, as authorized under the
12 provisions of section 2 ¹or ³¹ of P.L. , c. (C.)
13 (pending before the Legislature as this bill).

14 (cf: N.J.S.40A:1-1)

15 ¹2. (New section) Except as provided hereunder, ²[in]² any
16 municipality which has a population of over 35,000 according to
17 the ²[July 1, 1988,] most recent federal decennial census or the
18 latest available² State population estimates, Population
19 Estimates for New Jersey, issued by Occupational and
20 Demographic Research in the Division of Labor Market and
21 Demographic Research of the New Jersey Department of Labor,
22 ²[the fiscal year shall hereafter be] whichever is more recent, or
23 any municipality which received in State fiscal year 1990 or 1991
24 State funds under the "Special Municipal Aid Act," P.L.1987, c.75
25 (C.52:27D-118.24 et seq.) now referred to as the Municipal
26 Revitalization Program, shall be required hereafter to operate
27 on² the State fiscal year. Any municipality whose fiscal year is
28 changed pursuant to this section shall prepare a transition year
29 budget to cover the January 1 to June 30 period prior to the
30 beginning of its first State fiscal year.

31 Any municipality which fulfills the abovementioned criteria
32 may apply to the director to maintain its fiscal year on a
33 calendar year basis. An application for an exception shall include
34 a copy of a resolution to maintain the existing budget year,
35 adopted by a majority vote of the governing body prior to or
36 concurrent with the introduction of the municipal budget

37 If the director determines that it is beneficial for the
38 municipality or its taxpayers to change to the State fiscal year,
39 the director may deny the application for an exception.¹

40 ¹[2.] ³.¹ (New section) ¹[A] Any¹ municipality ¹[in which the
41 fiscal year is the calendar year beginning on January 1 and ending
42 on December 31] for which the fiscal year is not changed
43 pursuant to section 2 of P.L. , c. (C.) (pending before
44 the Legislature as this bill)]¹ may, by ordinance, adopt a ¹State¹
45 fiscal year ¹[beginning on July 1 and ending on June 30]¹. The
46 ordinance shall be introduced prior to ¹[February 20] or
47 concurrently with the introduction of the municipal budget¹ to
48 take effect in the current calendar year, except that in the first
49 year following the effective date of P.L. , c. (C.)
50 (pending before the Legislature as this bill), the director shall

1 establish the last date for introduction of the ordinance. The
2 ordinance may be introduced and adopted ¹[at the same time]
3 according to the same time schedule¹ as the annual budget of the
4 municipality, which shall be a transition year budget, and shall be
5 filed with the director upon final adoption. The ordinance shall
6 not be subject to referendum or repeal.

7 ¹[3.] 4.¹ (New section) The director and the Local Finance
8 Board shall provide such assistance to municipalities ¹in¹ which
9 ¹[adopt] the fiscal year has been changed to the¹ State fiscal
10 year as may be necessary to assure a smooth transition by the
11 municipality to the State fiscal year and to establish and assure
12 the sound financial condition of the municipality during the
13 transition year and the first fiscal year following the transition
14 year. To this end, the director or the Local Finance Board is
15 authorized, by rule or directive, as appropriate, for the transition
16 year and the first fiscal year following the transition year, to:

17 a. Establish or adjust dates and statutory provisions relating to
18 the budget and fiscal affairs of the municipality ¹, including
19 provisions relating to the collection and enforcement of liens for
20 property taxes¹;

21 b. In conjunction with the Director of the Division of Taxation
22 in the Department of the Treasury, establish or adjust dates and
23 statutory provisions relating to ¹[the] property tax¹ assessment
24 ¹[, collection,] and¹ appeal ¹[and enforcement of liens for
25 property taxes]¹;

26 c. Establish the amount of temporary appropriations to be
27 permitted under N.J.S.40A:4-19, the amount of the appropriation
28 required for "reserve for uncollected taxes" pursuant to
29 N.J.S.40A:4-41, the amount of final appropriations on which the
30 expenditure limitation is to be calculated pursuant to section 3 of
31 P.L.1976, c.68 (C.40A:4-45.3) and the calculation of exemptions
32 from those limitations, the amount of tax anticipation notes
33 which may be issued or outstanding at any time pursuant to
34 N.J.S.40A:4-66, and the amount to be raised by taxation for the
35 municipal budget if the municipality fails to strike the tax rate in
36 a timely manner;

37 d. Establish guidelines to govern the calculation of the amount
38 required for the operation of the local unit for the fiscal year
39 pursuant to N.J.S.40A:4-17 in the event that the county board has
40 not received a copy of the budget resolution in a timely fashion;
41 the calculation of surplus anticipated pursuant to N.J.S.40A:4-24;
42 the calculation of miscellaneous revenues pursuant to
43 N.J.S.40A:4-26; the calculation of the maximum amount which
44 may be anticipated as ¹["Receipts from Delinquent Taxes"]
45 "receipts from delinquent taxes"¹ pursuant to N.J.S.40A:4-29;
46 the amount of dedicated revenues derived from publicly owned or
47 operated utilities or enterprises which may be stated in the
48 budget pursuant to N.J.S.40A:4-33; and the calculation of the
49 "cash deficit of preceding year" pursuant to N.J.S.40A:4-42;

50 e. Establish, adjust or make any other changes in municipal

1 budgeting procedures in order to retire notes which may be issued
2 after or outstanding on the effective date of this act, including,
3 but not limited to, emergency notes authorized pursuant to
4 N.J.S.40A:4-51, special emergency notes authorized pursuant to
5 N.J.S.40A:4-55, notes issued to finance appropriations by
6 distressed municipalities pursuant to section 2 of P.L.1982, c.66
7 (C.40A:4-55.19), and tax anticipation notes issued pursuant to
8 N.J.S 40A:4-64; and

9 f. Establish, alter or adjust, as necessary, the index rate
10 pursuant to section 4 of P.L.1983, c.49 (C.40A:4-45.1a), the
11 calculation of exceptions allowable pursuant to section 3 of
12 P.L.1976, c.68 (C.40A:4-45.3), the calculation of the final
13 appropriations in a municipality which has adopted the index rate,
14 as set forth in section 7 of P.L.1983, c.49 (C.40A:4-45.14) and the
15 filing dates for the verified statement of the financial condition
16 of the local unit as of the close of the fiscal year, as required
17 under N.J.S.40A:5-12.

18 ¹[4.] 5.¹ (New section) If a local unit shall require moneys for
19 the purpose of assuring against adopting a budget which sets forth
20 a deficit, the director may recommend that the Local Finance
21 Board authorize the local unit to issue bonds, entitled "fiscal year
22 adjustment bonds," authorized in accordance with the provisions
23 governing refunding bonds for emergency appropriations set forth
24 in N.J.S.40A:2-51 through 40A:2-60, except that the vote of the
25 local governing body required for adoption of the bond ordinance
26 or other action authorizing the sale of the bonds or bond
27 anticipation notes shall be the same as required for adoption of
28 the local budget. The proceeds of any fiscal year adjustment
29 bonds shall be considered as anticipated revenues applicable to
30 the expenditures for which appropriations are made in the
31 transition year budget. In anticipation of the issuance of the
32 bonds, bond anticipation notes may be issued in an amount not to
33 exceed the ¹[preliminary]¹ estimate of the deficit ¹in the
34 transition year budget¹ as determined by the director. Bond
35 anticipation notes shall mature no later than one year from the
36 date of issuance and may be renewed from time to time only with
37 the permission of the Local Finance Board.

38 ¹[5.] 6.¹ Section 3-16 of P.L.1950, c.210 (C.40:69A-46) is
39 amended to read as follows:

40 3-16. [On] Except in those municipalities which ¹[adopt]
41 operate on¹ the State fiscal year pursuant to section 2 ¹or 3¹ of
42 P.L. , c. (C.) (pending before the Legislature as this
43 bill), on or before the fifteenth day of [January] the fiscal year
44 the mayor shall submit to council his recommended budget
45 together with such explanatory comment or statement as he may
46 deem desirable. The budget shall be in such form as is required
47 by law for municipal budgets, and shall in addition have appended
48 thereto a detailed analysis of the various items of expenditure
49 and revenue. Council may reduce any item or items in the
50 mayor's budget by a vote of a majority of the council, but an

1 increase in any item or items therein shall become effective only
2 upon an affirmative vote of two-thirds of the members of council.
3 (cf: P.L.1950, c.210, s.3-16)

4 ¹[6.] 7.¹ Section 9-17 of P.L.1950, c.210 (C.40:69A-97) is
5 amended to read as follows:

6 9-17. [On] Except in those municipalities which ¹[adopt]
7 operate on¹ the State fiscal year pursuant to section 2 ¹or 3¹ of
8 P.L. , c. (C.) (pending before the Legislature as this
9 bill), on or before the fifteenth day of [January] the fiscal year
10 the municipal manager shall submit to council his recommended
11 budget together with such explanatory comment or statement as
12 he may deem desirable. The budget shall be in such form as is
13 required by law for municipal budgets, and shall in addition have
14 appended thereto detailed analysis of the various items of
15 expenditure and revenue.

16 The council shall, where practicable, provide by ordinance for
17 the operation of a system of work programs and quarterly
18 allotments for operation of the budget, and for development and
19 reporting of appropriate unit costs of budgeted expenditures.
20 (cf: P.L.1950, c.210, s.9-17)

21 ¹[7.] 8.¹ N.J.S.40A:2-59 is amended to read as follows;

22 40A:2-59. Refunding bonds may be sold at public or private
23 sale, or may be exchanged for any outstanding bonds or notes to
24 be funded or refunded, pursuant to resolution adopted by not less
25 than 2/3 of the full membership of the governing body, at such
26 price or prices, computed according to standard tables of bond
27 values, as will yield to the purchasers or to the holders of the
28 bonds or notes surrendered in exchange, an income at a rate not
29 to exceed [6% per annum] ¹[such maximum as shall be established
30 by the Local Finance Board] the prevailing market rate¹ to the
31 maturity dates of the bonds sold or exchanged, on the money paid
32 or the principal amount of the bonds or notes surrendered
33 therefor to the local unit. Refunding bonds of any authorized
34 issue or of any authorized maturity may be sold or exchanged as
35 hereinabove provided from time to time and in such blocks as
36 may be deemed advisable. The officer of the local unit delivering
37 any refunding bonds in exchange for outstanding bonds or notes
38 shall report in writing to the governing body at the next meeting
39 thereof as to the principal amounts, maturities and numbers of
40 the refunding bonds so delivered and as to the outstanding bonds
41 or notes received in exchange, which report shall be entered in
42 the minutes of the governing body, and a copy of such report shall
43 be filed within 5 days thereafter with the director.

44 (cf: P.L.1960, c.169, s.1)

45 ¹[8.] 9.¹ N.J.S.40A:4-5 is amended to read as follows:

46 40A:4-5. The governing body shall introduce and approve the
47 annual budget:

48 a. In the case of a county, not later than January 26 of the
49 fiscal year.

50 b. In the case of a municipality, not later than February 10 of

1 the fiscal year; and, in the case of a municipality which ¹[has
2 adopted] operates on the State fiscal year, not later than
3 21 days from the beginning of the fiscal year.

4 The budget shall be introduced in writing at a meeting of the
5 governing body. Approval thereof shall constitute a first reading
6 which may be by title. [Two] Three certified copies of the
7 approved budget shall be transmitted to the director within
8 3 days after approval.

9 Upon the approval of the budget by the governing body, it shall
10 fix the time and place for the holding of a public hearing upon the
11 budget.

12 (cf: P.L.1964, c.78, s.1)

13 ¹[9.] 10.¹ Section 1 of P.L.1989, c.31 (C.40A:4-5.1) is amended
14 to read as follows:

15 1. Notwithstanding the provisions of any law, rule or
16 regulation to the contrary, the Director of the Division of Local
17 Government Services, in the Department of Community Affairs,
18 hereinafter the "director," may, with the approval of the Local
19 Finance Board, in the Department of Community Affairs, extend
20 the dates for the introduction and approval, and for the adoption,
21 of county and municipal budgets, for any local fiscal year, beyond
22 the dates required under the "Local Budget Law" (N.J.S.40A:4-1
23 et seq.), for time periods not to exceed:

24 a. Two calendar weeks, for the introduction and approval of
25 county and municipal budgets;

26 b. Three calendar weeks, for the adoption of a county budget;
27 and

28 c. Two calendar weeks, for the adoption of a municipal
29 budget].

30 Notwithstanding any provision of this section to the contrary,
31 the governing body of a local unit may adopt the budget for that
32 unit at any time within 10 days after the director has certified
33 his approval thereof and returned the same, if the certification is
34 later than the date of the advertised hearing.

35 (cf: P.L.1989, c.31, s.1)

36 ¹[10.] 11.¹ N.J.S.40A:4-10 is amended to read as follows:

37 40A:4-10. No budget or amendment thereof shall be adopted
38 unless the director shall have previously certified his approval
39 thereof. Final adoption shall be by resolution adopted by a
40 majority of the full membership of the governing body, and may
41 be by title where the procedures required by sections 40A:4-8 and
42 40A:4-9 have been followed.

43 The budget shall be adopted in the case of a county not later
44 than February 25, and in the case of a municipality not later than
45 March 20 of the fiscal year or September 1 of the State fiscal
46 year, except that the governing body may adopt the budget at any
47 time within 10 days after the director shall have certified his
48 approval thereof and returned the same, if such certification
49 shall be later than the date of the advertised hearing.

50 [Two] If ¹, in the case of a municipality which operates on the

1 State fiscal year,¹ the governing body fails to adopt the budget
2 within the permitted time, the chief financial officer of the local
3 unit shall so notify the director the next working day after the
4 expiration of the permitted time.

5 Three certified copies of the budget, as adopted, shall be
6 transmitted to the director within 3 days after adoption.

7 Upon adoption, the budget shall constitute an appropriation for
8 the purposes stated therein and an authorization of the amount to
9 be raised by taxation for the purposes of the local unit.

10 (cf: P.L.1964, c.78, s.4)

11 ¹[11.] 12.¹ N.J.S.40A:4-11 is amended to read as follows:

12 40A:4-11. The clerk of the local unit shall transmit a certified
13 copy of the budget, as adopted, to the county board not later than
14 [March 31 of the fiscal year] 15 days following the adoption of
15 the budget or within five days of adoption in those municipalities
16 which ¹[have adopted] operate on¹ the State fiscal year.

17 (cf: N.J.S.40A:4-11)

18 ¹[12.] 13.¹ N.J.S.40A:4-16 is amended to read as follows:

19 40A:4-16. Where the county board has not received a copy of
20 the budget resolution or other evidence showing the amount to be
21 raised by taxation for the purposes of a taxing district not later
22 than March 31 of the fiscal year, in the case of a taxing district
23 or a municipality for which the fiscal year is January 1 through
24 December 31 or not later than September 6 in those
25 municipalities which ¹[have adopted] operate on¹ the State fiscal
26 year, the [said] board shall immediately notify the director of
27 such failure.

28 (cf: N.J.S.40A:4-16)

29 ¹[13. N.J.S.40A:11-17] 14. 40A:4-17¹ is amended to read as
30 follows:

31 ¹[40A:11-17] 40A:4-17¹. a. The director shall forthwith, after
32 receipt of notice that the county board has not received a copy of
33 the budget resolution or other evidence showing the amount to be
34 raised by taxation for the purposes of a taxing district, transmit
35 to the county board a certificate setting forth the amount
36 required for the operation of the local unit for the fiscal year.
37 The operating budget of the preceding year shall constitute and
38 limit the appropriations of the current year with suitable
39 adjustments for debt service, other mandatory charges and
40 changes in revenues, but excluding the amount to be raised for
41 taxes for school purposes where required to be included in the
42 municipal budget.

43 The certificate shall be prepared by using the revenues and
44 appropriations appearing in the adopted budget of the preceding
45 year with suitable adjustments to include, without limitation:

46 [a.] Any amounts required for principal and interest of
47 indebtedness falling due in the fiscal year;

48 [b.] Any deferred charges or statutory expenditures required to
49 be raised in the fiscal year, and

50 [c.] In addition, the director shall adjust the revenues, local

1 tax requirements and surplus revenues appearing in the adopted
2 budget of the preceding year in such manner that the cash basis
3 provisions of this chapter shall apply.

4 b. In any municipality which ¹[has adopted] operates on¹ the
5 State fiscal year, upon receipt of notification by the director
6 pursuant to N.J.S.40A:4-16, the director shall establish the
7 amount to be raised by taxation and notify the county tax board.
8 The municipality shall have 60 days thereafter to finally adopt its
9 budget pursuant to law.

10 (cf: N.J.S.40A:4-17)

11 ¹[14.] 15.¹ N.J.S.40A:4-18 is amended to read as follows:

12 40A:4 18. Immediately upon receipt of the director's
13 certificate and, in any event, on or before April 10 of the fiscal
14 year, and September 10, in those municipalities which ¹[have
15 adopted] operate on¹ the State fiscal year the county board shall
16 fill out the table of aggregates required by R.S.54:4-52 and shall
17 determine the amount of "other local taxes" for the year based
18 upon the certificate of the director. ¹Upon completion, the
19 county board shall transmit a copy of each municipality's table
20 of aggregates to the director.¹

21 If the local unit shall have adopted a budget for the fiscal year
22 and shall have transmitted a certified copy thereof to the county
23 board on or before April 10 or September 10, as the case may be,
24 the [said] board may substitute the adopted budget in the place of
25 the amount certified by the director, but no such substitutions
26 shall be made after [April 10 of the fiscal year] May 1 or
27 September 15 ¹, as the case may be¹.

28 (cf: P.L.1979, c.23, s.2)

29 ¹[15.] 16.¹ N.J.S.40A:4-19 is amended to read as follows:

30 40A:4-19. The governing body may and, if any contracts,
31 commitments or payments are to be made prior to the adoption
32 of the budget, shall, by resolution adopted [prior to January 31]
33 within the first 30 days of the beginning of the fiscal year, make
34 appropriations to provide for the period between the beginning of
35 the fiscal year and the adoption of the budget.

36 The total of the appropriations so made shall not exceed 25%
37 of the total of the appropriations made for all purposes in the
38 budget for the preceding fiscal year excluding, in both instances,
39 appropriations made for interest and debt redemption charges,
40 capital improvement fund and public assistance.

41 Nothing herein contained shall prevent or relieve the governing
42 body from making appropriations ¹during the last 10 days of the
43 year preceding the beginning of the fiscal year¹ for all interest
44 and debt redemption charges maturing during the fiscal year ¹[at
45 any time]¹ [between December 20 of the year preceding the
46 beginning of the fiscal year and the date of the adoption of the
47 budget] ¹during the last 10 days of the year preceding the
48 beginning of the fiscal year]¹.

49 (cf: N.J.S.40A:4-19)

50 ¹[16.] 17.¹ Section 5 of P.L.1989, c.31 (C.40A:4-19.1) is

1 amended to read as follows:

2 5. In any local fiscal year for which budget dates have been
 3 extended pursuant to section 1 of this act, the [governing body
 4 may and, if any contracts, commitments or payments are to be
 5 made prior to the adoption of its budget, shall, by resolution,
 6 adopted prior to March 1, make appropriations, in addition to any
 7 temporary appropriations made pursuant to N.J.S.40A:4-19, to
 8 provide for the period between February 25, in the case of a
 9 county, or March 20, in the case of a municipality, and the
 10 adoption of the budget. The total of the appropriations so made
 11 shall not exceed one-twelfth of the total of the appropriations
 12 made for all purposes in the budget for the fiscal year, excluding,
 13 in both instances, appropriations made for the interest and debt
 14 redemption charges, capital improvement fund and public
 15 assistance] Director of the Division of Local Government
 16 Services may permit ¹[whatever] temporary¹ budget
 17 appropriations ¹[are necessary in order]¹ to provide for the period
 18 between the date upon which the budget was scheduled for
 19 adoption pursuant to N.J.S.40A:4-5 and the actual date upon
 20 which the budget was adopted.

21 (cf: P.L.1989, c.31, s.5)

22 ¹[17.] 18.¹ N.J.S.40A:4-27 is amended to read as follows:

23 40A:4-27. A local unit may anticipate as a miscellaneous
 24 revenue the total amount of all payments due and payable to the
 25 local unit during the fiscal year, directly or indirectly as a result
 26 of the sale of property by the local unit, when the obligation to
 27 make such payment is entered into prior to February 10 of the
 28 fiscal year, or within ¹[30] 21¹ days of the beginning of the State
 29 fiscal year.

30 (cf: N.J.S.40A:4-27)

31 ¹[18.] 19.¹ N.J.S.40A:4-41 is amended to read as follows:

32 40A:4-41. For the purpose of determining the amount of the
 33 appropriation for "reserve for uncollected taxes" required to be
 34 included in each annual budget where less than 100% of current
 35 tax collections may be and are anticipated, anticipated cash
 36 receipts shall be as set forth in the budget of the current year,
 37 and in accordance with the limitations of statute for anticipated
 38 revenue from, surplus appropriated, miscellaneous revenues and
 39 receipts from delinquent taxes.

40 Receipts from the collection of taxes levied or to be levied in
 41 the municipality, or in the case of a county for general county
 42 purposes and payable in the fiscal year shall be anticipated in an
 43 amount which is not in excess of the percentage of taxes levied
 44 and payable during the next preceding fiscal year which was
 45 received in cash by [December 31 of such] the last day of the
 46 preceding fiscal year.

47 (cf: N.J.S.40A:4-41)

48 ¹[19.] 20.¹ Section 4 of P.L.1983, c.49 (C.40A:4-45.1a) is
 49 amended to read as follows:

50 4. As used in this amendatory and supplementary act, "index

1 rate" means the rate of annual percentage increase, rounded to
2 the nearest half-percent, in the Implicit Price Deflator for State
3 and Local Government Purchases of Goods and Services,
4 computed and published quarterly by the United States
5 Department of Commerce, Bureau of Economic Analysis,
6 calculating the annual increase therein at the second and fourth
7 quarter which occurred in the next preceding local [budget] fiscal
8 year. The Director of the Division of Local Government Services
9 shall promulgate [annually, on or before October 1,] bi-annually
10 the index rate to apply in the next following local [budget] fiscal
11 year.

12 (cf: P.L.1983, c.49, s.4)

13 ¹[20.] 21.¹ Section 1 of P.L.1979, c.268 (C.40A:4-45.3a) is
14 amended to read as follows:

15 1. The provisions of any other law to the contrary
16 notwithstanding, any referendum conducted by a municipality
17 pursuant to subsection i. of section 3 of P.L.1976, c.68
18 (C.40A:4-45.3i.), for the purpose of requesting approval for
19 increasing the municipal budget by more than 5% over the
20 previous year's final appropriations, shall be held on the last
21 Tuesday in the month of February of the year in which the
22 proposed increase is to take effect. The municipal budget
23 proposing such increase shall be introduced and approved in the
24 manner otherwise provided in N.J.S.40A:4-5 at least 20 days prior
25 to the date on which such referendum is to be held, and shall be
26 published in the manner otherwise provided in N.J.S.40A:4-6 at
27 least 12 days prior to said referendum date. Notice shall be
28 published pursuant to section 7 of P.L.1953, c.211 (C.19:57-7) on
29 the next day following the introduction of the budget. This
30 section shall apply only to municipalities that operate on the
31 January 1 to December 31 fiscal year.

32 (cf: P.1981, c.66, s.1)

33 ¹[21.] 22.¹ Section 7 of P.L.1983, c.49 (C.40A:4-45.14) is
34 amended to read as follows:

35 7. a. Notwithstanding the provisions of section 2, 3 or 4 of
36 P.L.1976, c.68 (C.40A:4-45.2, 40A:4-45.3 and 40A:4-45.4) to the
37 contrary, in any year for which the index rate exceeds 5%, a
38 municipality may, by ordinance, or a county may, by ordinance or
39 resolution, as appropriate, provide that in the local [budget] fiscal
40 year to which the ordinance or resolution applies, the final
41 appropriations of the municipality, or the tax levy of the county,
42 shall be increased by a percentage rate greater than 5%, but not
43 to exceed the index rate, over the [previous year's] ¹previous
44 year's¹ final appropriations, or county tax levy, as the case may
45 be.

46 b. Notwithstanding the provisions of section 2, 3 or 4 of
47 P.L.1976, c.68 (C.40A:4-45.2, 40A:4-45.3 and 40A:4-45.4) to the
48 contrary, in any year in which the index rate is less than 5% a
49 municipality may, by ordinance approved by a majority vote of
50 the full membership of the governing body, or a county may, by

1 ordinance or resolution, as appropriate, approved by a majority
2 vote of the full membership of the governing body, provide that
3 in the local [budget] fiscal year to which the ordinance or
4 resolution applies, the final appropriations of the municipality, or
5 the tax levy of the county, shall be increased by a percentage
6 rate greater than the index rate, but not to exceed 5% over the
7 [previous year's] ¹previous year's¹ final appropriations, or
8 county tax levy, as the case may be.

9 c. The ordinance or resolution, as appropriate, shall be
10 introduced after [January 1] the beginning of the local [budget]
11 fiscal year to which it applies and prior to the date provided by
12 law for the introduction and approval of the annual budget of the
13 municipality or county. The ordinance or resolution shall state
14 the greater percentage rate to be adopted and the additional
15 amount of increased final appropriations or tax levy which that
16 greater percentage rate represents over that which the 5% rate
17 or index rate, as appropriate represents. The ordinance or
18 resolution may, thereafter, be adopted, after publication and a
19 public hearing separately afforded upon 10 days' notice duly
20 published, by a majority vote of the authorized membership of
21 the governing body. Any procedures provided in a form of local
22 government for the exercise of veto powers by a mayor or county
23 executive with respect to ordinances generally shall pertain. An
24 ordinance or resolution so adopted shall, notwithstanding any
25 other provision of law, take effect immediately upon adoption.

26 Upon adoption of the ordinance or resolution, the permissible
27 final appropriations of the municipality, or permissible county tax
28 levy of the county, shall be calculated for the year as provided in
29 section 3 or 4 of P.L.1976, c.68 (C.40A:4-45.3 or 40A:4-45.4),
30 except that the percentage rate so adopted shall be used. The
31 final appropriations or county tax levy so calculated shall be used
32 in the immediately following year for the purposes of section 2 of
33 P.L.1976, c.68 (C.40A:4-45.2).

34 A copy of any ordinance or resolution introduced pursuant to
35 this section shall be filed with the Director of the Division of
36 Local Government Services within five days of introduction, and
37 a copy of the ordinance or resolution adopted shall be filed with
38 the director within five days of adoption.

39 In any year for which an ordinance is adopted by a municipality
40 pursuant to this section, no referendum shall be held in that
41 municipality pursuant to subsection i. of section 3 of P.L.1976,
42 c.68 (C.40A:4-45.3); provided that a municipality may hold a
43 special election if required by law pursuant to that subsection.
44 (cf: P.L.1987, c.74, s.6)

45 ¹[22. (New section) Any additional expenditures by a
46 municipality which has adopted the State fiscal year, incurred in
47 order to cover administrative expenses necessitated by the
48 additional tax billing, and any other related expenditures, as may
49 be authorized by the director, shall, for the purposes of P.L.1976,
50 c.68 (C.40A:4-45.1 et seq.), be considered an exception to the

1 spending limitations imposed thereby.]¹

2 23. N.J.S.40A:4-67 is amended to read as follows:

3 40A:4-67. Tax anticipation notes may be renewed from time
4 to time, but all such notes and any renewals thereof shall mature,
5 in the case of municipalities [not later than March 31] within
6 120 days after the beginning of the succeeding fiscal year, and in
7 the case of counties not later than June 30 of the succeeding
8 fiscal year.

9 (cf: N.J.S.40A:4-67)

10 24. N.J.S.40A:4-74 is amended to read as follows:

11 40A:4-74. Any local unit which operates or owns a municipal
12 public utility may, pursuant to resolution of the governing body
13 passed by a majority of the full membership thereof, borrow
14 money and issue its negotiable notes to provide funds necessary
15 to operate the utility or enterprise and meet the necessary
16 payments for debt service. Such notes shall be designated as
17 "Utility Revenue Notes of 19 (stating the year)" . The amount
18 of notes which may be issued in any fiscal year shall not exceed
19 50% of the revenue from Utility Rents and Miscellaneous Utility
20 Revenues Anticipated in the annual utility budget.

21 Notes may be renewed from time to time but shall mature not
22 later than [March 31] 90 days after the close of the fiscal year in
23 which the notes were originally issued.

24 Borrowing power provided in this section shall be exclusive of
25 and in addition to the borrowing power provided for tax
26 anticipation notes permitted by this chapter.

27 (cf: N.J.S.40A:4-74)

28 25. N.J.S.40A:5-3 is amended to read as follows:

29 40A:5-3. The fiscal year of every local unit shall [begin on
30 January 1 of each year and shall terminate on December 31 of
31 the same year] be the period for which a local unit adopts a
32 budget, as required pursuant to the "Local Budget Law,"
33 N.J.S.40A:4-1 et seq.

34 (cf: N.J.S.40A:5-3)

35 26. N.J.S.40A:5-12 is amended to read as follows:

36 40A:5-12. The chief financial officer of each local unit shall
37 file annually with the director a verified statement of the
38 financial condition of the local unit as of the close of the fiscal
39 year. Such statement shall be filed, upon forms furnished and
40 prescribed by the director, not later than January 26 in the case
41 of a county and not later than February 10 in the case of a
42 municipality after the close of the fiscal year, or not later than
43 21 days after the close of the State fiscal year in those
44 municipalities which ¹[have adopted] operate on¹ the State fiscal
45 year pursuant to section 2 ¹or 3¹ of P.L. , c. (C.)(pending
46 before the Legislature as this bill).

47 If the official charged with the responsibility of filing shall fail
48 to file such statement within 10 days after the time fixed for
49 filing the same, he shall be subject to a penalty of \$5.00 for each
50 day of neglect to file the same, to be recovered in a summary

1 proceeding against such official instituted and prosecuted under
2 the Penalty Enforcement Law (N.J.S.2A:58-1 et seq.).
3 (cf: P.L.1977, c.396, s.2)

4 27. N.J.S.40A:5-13 is amended to read as follows:

5 40A:5-13. Every board, committee or commission of a local
6 unit which by law is vested with power to expend public moneys,
7 other than by warrant upon its financial officer, shall, not later
8 than [January] 10 days after the close of the fiscal year, file with
9 the said financial officer a statement showing in detail the items
10 of moneys received and disbursed by it during the preceding fiscal
11 year, and also the balance of unexpended funds at the end of the
12 fiscal year.

13 (cf: N.J.S.40A:5-13)

14 28. R.S.54:3-21 is amended to read as follows:

15 54:3-21. A taxpayer feeling aggrieved by the assessed
16 valuation of his property, or feeling that he is discriminated
17 against by the assessed valuation of other property in the county,
18 or a taxing district which may feel discriminated against by the
19 assessed valuation of property in the taxing district, or by the
20 assessed valuation of property in another taxing district in the
21 county, may on or before [August 15] April 1 appeal to the county
22 board of taxation by filing with it a petition of appeal; provided,
23 however, that any such taxpayer or taxing district may on or
24 before [August 15] April 1 file a complaint directly with the tax
25 court, if the assessed valuation of the property subject to the
26 appeal exceeds \$750,000.00[, and any party to an appeal pending
27 on July 1, 1979 before a county board of taxation in which the
28 assessed valuation of the property involved exceeds \$750,000.00
29 shall be entitled, upon application to the county board, to have
30 the appeal transferred to the tax court by the county board]. A
31 taxpayer shall have 45 days to file an appeal upon the issuance of
32 a notification of a change in assessment. All appeals to the tax
33 court hereunder shall be in accordance with the provisions of the
34 State Tax Uniform Procedure Law, R.S.54:48-1 et seq.

35 If a petition of appeal or a complaint is filed during the 19 days
36 next preceding [August 15] April 1, a taxpayer or a taxing district
37 shall have 20 days from the date of service of the petition or
38 complaint to file a cross-petition of appeal with a county board
39 of taxation or a counterclaim with the clerk of the tax court, as
40 appropriate.

41 (cf: P.L.1987, c.185, s.1)

42 29. Section 1 of P.L.1973, c.69 (C.54:3-21.4) is amended to
43 read as follows:

44 1. Notwithstanding the provisions of any law, rule or
45 regulation to the contrary, a county board of taxation may, upon
46 the written application of the taxpayer and the approval of the
47 Director of the Division of Taxation, whenever a local assessor
48 fails, for any reason, to mail or otherwise deliver a notification
49 of assessment or change in assessment,¹ extend the time for
50 appeal provided in R.S.54:3-21 for any taxpayer feeling aggrieved

1 by the assessed valuation of his property, or feeling that he is
2 discriminated against by the assessed valuation of other property
3 in the county[, whenever a local taxing district fails, for any
4 reason, to mail or otherwise deliver a tax bill to such taxpayer
5 before July 15. When the collector of the taxing district informs
6 the county board of taxation that a tax bill was mailed or
7 otherwise delivered to the taxpayer before July 15, the county
8 board shall determine whether the taxing district failed to send a
9 tax bill to the taxpayer only after providing the collector and the
10 taxpayer a reasonable opportunity to submit sworn statements
11 regarding the sending and receipt of the tax bill].

12 (cf: P.L.1973, c.69, s.1)

13 30. R.S.54:3-27 is amended to read as follows:

14 54:3-27. A taxpayer who shall file an appeal from an
15 assessment against him shall pay to the collector of the taxing
16 district no less than the [first three quarters] total of all taxes
17 and municipal charges¹ due, ¹up to and¹ including the first
18 quarter of the taxes ¹and municipal charges¹ assessed against
19 him for the current tax year in the manner prescribed in
20 R.S.54:4-66 [even though his petition to the county board of
21 taxation might request a reduction in excess of one quarter of the
22 taxes assessed for the full year]. The collector shall accept such
23 amount, when tendered, give a receipt therefor and credit the
24 taxpayer therewith, and the taxpayer shall have the benefit of
25 the same rate of discount on the amount paid as he would have on
26 the whole amount.

27 The payment of part or all of the taxes upon any property, due
28 for the year for which an appeal from an assessment upon such
29 property has been or shall hereafter be taken, or of taxes for
30 subsequent years, shall in nowise prejudice the status of the
31 appeal or the rights of the appellant to prosecute such appeal,
32 before the county board of taxation, the [State Board of Tax
33 Appeals] tax court, or in any court to which the judgment arising
34 out of such appeal shall be taken, except as may be provided for
35 in [section 2 of this act] R.S.54:2-39.

36 (cf: P.L.1977, c.357, s.1)

37 31. R.S.54:4-38 is amended to read as follows:

38 54:4-38. Every assessor, at least ten days before filing the
39 complete assessment list and duplicate with the county board of
40 taxation, and before annexing thereto his affidavit as required in
41 section 54:4-36 of this title, shall notify each taxpayer of the
42 current assessment and preceding year's taxes and give public
43 notice by advertisement in at least one newspaper circulating
44 within his taxing district of a time and place when and where the
45 assessment list may be inspected by any taxpayer for the purpose
46 of enabling the taxpayer to ascertain what assessments have been
47 made against him or his property and to confer informally with
48 the assessor as to the correctness of the assessments, so that any
49 errors may be corrected before the filing of the assessment list
50 and duplicate. Thereafter, the assessor shall notify each

1 taxpayer by mail within 30 days of any change to the assessment.
 2 This notification of change of assessment shall contain the prior
 3 assessment and the current assessment.

4 (cf: R.S.54:4-38)

5 132. (New section) Every assessor, prior to February 1, shall
 6 notify by mail each taxpayer of the current assessment and
 7 preceding year's taxes. Thereafter, the assessor or county board
 8 of taxation shall notify each taxpayer by mail within 30 days of
 9 any change to the assessment. This notification of change of
 10 assessment shall contain the prior assessment and the current
 11 assessment. The director shall establish the form of notice of
 12 assessment and change of assessment. Any notice issued by the
 13 assessor or county board of taxation shall contain information
 14 instructing taxpayers on how to appeal their assessment.¹

15 ¹[32.] 33.¹ R.S.54:4-42 is amended to read as follows:

16 54:4-42. The municipal clerk or other proper officer of each
 17 taxing district shall, not later than [the ninetieth day] 15 days
 18 after the [beginning of each budget year] adoption of the budget
 19 or within five days of the adoption of the budget in those
 20 municipalities which ¹[have adopted] operate on¹ the State fiscal
 21 year pursuant to section 2 ¹or 3¹ of P.L. , c. (C.)
 22 (pending before the Legislature as this bill), transmit to the
 23 county board of taxation a copy of the annual taxing ordinance or
 24 resolution, or other evidence showing the amount to be raised by
 25 taxation for the purposes of the taxing district.

26 (cf: P.L.1942, c.316, s.2)

27 ¹[33.] 34.¹ R.S.54:4-52 is amended to read as follows:

28 54:4-52. The county board of taxation shall, on or before May
 29 [3] 1, fill out a table of aggregates copied from the duplicates of
 30 the several assessors and the certifications of the Director of the
 31 Division of Taxation relating to second-class railroad property,
 32 and enumerating the following items:

- 33 (1) The total number of acres and lots assessed;
 34 (2) The value of the land assessed;
 35 (3) The value of the improvements thereon assessed;
 36 (4) The total value of the land and improvements assessed,
 37 including:
 38 a. Second-class railroad property;
 39 b. All other real property.
 40 (5) The value of the personal property assessed, stating in
 41 separate columns:
 42 a. Value of household goods and chattels assessed;
 43 b. Value of farm stock and machinery assessed;
 44 c. Value of stocks in trade, materials used in manufacture and
 45 other personal property assessed under section 54:4-11;
 46 d. Value of all other tangible personal property used in
 47 business assessed.
 48 (6) Deductions allowed, stated in separate columns:
 49 a. Household goods and other exemptions under the provisions
 50 of section 54:4-3.16 of this Title;

- 1 b. Property exempted under section 54:4-3.12 of this Title.
- 2 (7) The net valuation taxable;
- 3 (8) Amounts deducted under the provisions of sections 54:4-49
- 4 and 54:4-53 of this Title or any other similar law (adjustments
- 5 resulting from prior appeals);
- 6 (9) Amounts added under any of the laws mentioned in
- 7 subdivision 8 of this section (like adjustments);
- 8 (10) Amounts added for equalization under the provisions of
- 9 sections 54:3-17 to 54:3-19 of this Title;
- 10 (11) Amounts deducted for equalization under the provisions of
- 11 sections 54:3-17 to 54:3-19 of this Title;
- 12 (12) Net valuation on which county, State and State school
- 13 taxes are apportioned;
- 14 (13) The number of polls assessed;
- 15 (14) The amount of dog taxes assessed;
- 16 (15) The property exempt from taxation under the following
- 17 special classifications:
- 18 a. Public school property;
- 19 b. Other school property;
- 20 c. Public property;
- 21 d. Church and charitable property;
- 22 e. Cemeteries and graveyards;
- 23 f. Other exemptions not included in foregoing classifications
- 24 subdivided showing exemptions of real property and exemptions
- 25 of personal property;
- 26 g. The total amount of exempt property.
- 27 (16) State road tax;
- 28 (17) State school tax;
- 29 (18) County taxes apportioned, exclusive of bank stock taxes;
- 30 (19) Local taxes to be raised, exclusive of bank stock taxes,
- 31 subdivided as follows:
- 32 a. District school tax;
- 33 b. Other local taxes.
- 34 (20) Total amount of miscellaneous revenues, including surplus
- 35 revenue appropriated, for the support of the taxing district
- 36 budget;
- 37 (21) District court taxes;
- 38 (22) Library tax;
- 39 (23) Bank stock taxes due taxing district;
- 40 (24) Tax rate for local taxing purposes to be known as general
- 41 tax rate to apply per \$100.00 of valuation.
- 42 The county board of taxation shall revise the table of
- 43 aggregates on or before September 10 to include the tax rate for
- 44 local taxing purposes for municipalities having adopted the State
- 45 fiscal year.
- 46 In addition to the above such other matters may be added, or
- 47 such changes in the foregoing items may be made, as may from
- 48 time to time be directed by the [commissioner] Director of the
- 49 Division of Taxation. The forms for ¹[following] filling¹ out
- 50 tables of aggregates shall be prescribed by the [commissioner]

1 director and sent by him to the county treasurers of the several
2 counties to be by them transmitted to the county board of
3 taxation. Such table of aggregates shall be correctly added by
4 columns and shall be signed by the members of the county board
5 of taxation and shall within 3 days thereafter be transmitted to
6 the county treasurer who shall file the same and forthwith cause
7 it to be printed in its entirety and shall transmit certified copy of
8 same to the Director of the Division of Taxation, the State
9 Auditor, the Director of the Division of Local Government
10 Services in the Department of Community Affairs, the clerk of
11 the board of freeholders, and the clerk of each municipality in
12 the county.

13 (cf: P.L.1978, c.136, s.20)

14 ¹[34.] 35.¹ R.S.54:4-55 is amended to read as follows:

15 54:4-55 The county board of taxation shall, on or before May
16 13 in each year, and, in municipalities ¹[having adopted]
17 operating on¹ the State fiscal year, again on or before November
18 1, cause the corrected, revised and completed duplicates,
19 certified by it to be a true record of the taxes assessed, to be
20 delivered to the collectors of the various taxing districts in the
21 county, and the tax lists shall remain in the office of the board as
22 a public record. Thereafter neither the assessor nor the collector
23 shall make or cause to be made any change or alteration in the
24 tax duplicate except as may be provided by law.

25 (cf: P.L.1978, c.136, s.21)

26 ¹[35.] 36.¹ R.S.54:4-64 is amended to read as follows:

27 54:4-64. a. As soon as the tax duplicate is delivered to the
28 collector of the taxing district, as provided in R.S.54:4-55, he
29 shall at once begin the work of preparing, completing, mailing or
30 otherwise delivering tax bills to the individuals assessed, and shall
31 complete that work [at least 47 days before the third installment
32 of taxes falls due] on or before June 14. He shall also, at least
33 two months before the first installment of taxes for the year falls
34 due, or in municipalities ¹[adopting] operating on¹ the State
35 fiscal year, on or before October 1 of the pre-tax year, prepare
36 and mail, or otherwise deliver to the individuals assessed, a tax
37 bill for such following first and second installments, computed as
38 [hereinafter] provided [at one-half of the complete tax last
39 previously levied] in R.S.54:4-66. When any individual assessed
40 has authorized the collector to mail or otherwise deliver his tax
41 bill to a mortgagee or any other agent, the collector shall, at the
42 same time, mail or otherwise deliver a duplicate tax bill to the
43 individual assessed and shall print across the face of such
44 duplicate tax bill the following inscription: "This is not a bill --
45 for advice only." The validity of any tax or assessment, or the
46 time at which it shall be payable, shall not be affected by the
47 failure of a taxpayer to receive a tax bill, but every taxpayer is
48 put on notice to ascertain from the proper official of the taxing
49 district the amount which may be due for taxes or assessments
50 against him or his property.

1 b. As provided in subsection a. of this section, a mortgagor as
2 the individual assessed for property taxes or other municipal
3 charges with respect to the property securing a mortgage loan,
4 may authorize the tax collector to mail or otherwise deliver his
5 tax bill to a mortgagee or servicing organization. This tax
6 authorization form shall be assignable in the event the mortgagee
7 or servicing organization sells, assigns or transfers the servicing
8 of the mortgage loan to another mortgagee or servicing
9 organization.

10 c. The tax collector of the taxing district shall, upon receipt
11 of a written request from a mortgagee or servicing organization
12 on a form approved by the commissioner, mail or otherwise
13 deliver a mortgagor's tax bill to a property tax processing
14 organization. The commissioner shall provide by regulation for a
15 procedure by which the tax collector of a taxing district may
16 request the Director of the Division of Local Government
17 Services in the Department of Community Affairs to review the
18 appropriateness of the request to mail or otherwise deliver a
19 mortgagor's tax bill to a property tax processing organization.

20 d. If a mortgagee, servicing organization, or property tax
21 processing organization requests a duplicate copy of a tax bill,
22 the tax collector of a taxing district shall issue a duplicate copy
23 and may charge a maximum of \$5 for the first duplicate copy and
24 a maximum of \$25 for each subsequent duplicate copy of the
25 same tax bill in the same tax year, the actual charge being set by
26 municipal ordinance. The commissioner shall promulgate
27 regulations to effectuate the provisions of this subsection d.
28 which regulations shall include a procedure by which a
29 mortgagee, servicing organization, or property tax processing
30 organization may appeal and be reimbursed for the amount it has
31 paid for a duplicate copy of a tax bill, or any part thereof.

32 e. As used in subsections b., c., and d. of this section,
33 "mortgagee," "mortgagor," "mortgage loan," "servicing
34 organization" and "property tax processing organization" shall
35 have the same meaning as the terms have pursuant to section 1 of
36 P.L.1990, c.69 (C.17:16F-15).

37 (cf: P.L.1990, c.69, s.9)

38 ¹[36.] ¹37. ¹R.S.54:4-65 is amended to read as follows:

39 54:4-65. ¹In addition to the requirements set forth hereunder,
40 the Director of the Division of Local Government Services in the
41 Department of Community Affairs shall approve the form and
42 content of property tax bills.¹

43 Each tax bill shall have printed thereon a brief tabulation
44 showing the distribution of the amount raised by taxation in the
45 taxing district, in such form as to disclose the rate per \$100.00 of
46 assessed valuation or the number of cents in each dollar paid by
47 the taxpayer which is to be used for the payment of State school
48 taxes, other State taxes, county taxes, local school expenditures
49 and other local expenditures. The last named item may be
50 further subdivided so as to show the amount for each of the

1 several departments of the municipal government. In lieu of
2 printing such information on the tax bill, any municipality may
3 furnish the tabulation required hereunder and any other pertinent
4 information in a statement accompanying the mailing or delivery
5 of the tax bill.

6 ¹[Also included with each tax bill, on a form prescribed by the
7 Director of the Division of Local Government Services in the
8 Department of Community Affairs, the tax collector, in
9 consultation with the chief financial officer of the municipality,
10 shall prepare a statement. The statement shall report the
11 amounts of State aid and assistance related to service
12 assumptions approved by the Division of Local Government
13 Services, payable to the county, municipality and school district
14 for county, municipal and school district purposes, that offset
15 local tax levies] The tax bill shall also contain a statement
16 reporting amounts of State aid and assistance received by the
17 municipality, school districts, special districts and county
18 governments used to offset local tax levies. The director shall
19 provide each tax collector with a certification of the amounts of
20 said State aid and assistance for inclusion in the tax bill¹.

21 (cf: P.L.1957, c.157, s.1)

22 ¹[37.] 38.¹ R.S.54:4-66 is amended to read as follows:

23 54:4-66. Taxes shall be payable and shall be delinquent as
24 hereinafter stated:

25 a. Taxes shall be payable the first installment as hereinafter
26 provided on February first, the second installment on May first,
27 the third installment on August first and the fourth installment
28 on November first, after which dates if unpaid, they shall become
29 delinquent;

30 b. From and after the respective dates hereinbefore provided
31 for taxes to become delinquent, the taxpayer or property assessed
32 shall be subject to the penalties hereinafter prescribed;

33 c. [The] In municipalities with a January 1 through December
34 31 fiscal year, the dates hereinbefore provided for payment of
35 the first and second installments of taxes being before the true
36 amount of the tax will have been determined, the amount to be
37 payable as each of the first two installments shall be one-quarter
38 of the total tax finally levied against the same property or
39 taxpayer for the preceding year, or, if directed to do so for the
40 tax year by resolution of the municipal governing body, one-half
41 of the tax levied for the second half of the preceding tax year, as
42 appropriate; and the amount to be payable for the third and
43 fourth installments shall be the full tax as levied for the current
44 year, less the amount charged as the first and second
45 installments; the amount thus found to be payable as the last two
46 installments shall be divided equally for and as each installment.
47 An appropriate adjustment by way of discount shall be made, if it
48 shall appear that the total of the first and second installments
49 exceeded one-half of the total tax as levied for the year;

50 d. In municipalities that ¹[have adopted] operate on¹ the State

1 fiscal year, there shall be two annual tax bills delivered and the
2 amounts payable shall be as follows:

3 1. In the tax year in which the ¹[municipality adopts an
4 ordinance to change its] fiscal year ¹is changed¹, a tax bill shall
5 be delivered on or before June 14 of the tax year for the third
6 and fourth installments. The amount to be payable for the two
7 installments shall be 50% of the full tax levied against the same
8 property or taxpayer for municipal purposes in the preceding tax
9 year, plus the full tax as levied for the current tax year for
10 county, school and other purposes, excepting municipal purposes,
11 less the amount charged as the first and second installments for
12 county, school and other purposes, excepting municipal purposes;
13 the amount found to be payable shall be divided equally for each
14 installment.

15 2. Thereafter, in each tax year a tax bill shall be delivered on
16 or before October 1 of the pre-tax year for the first and second
17 installments of the tax year and on or before June 14 for the
18 third and fourth installments. The amount to be payable for the
19 first two installments shall be the full tax levied for municipal
20 purposes against the property or taxpayer for the current
21 municipal fiscal year less the amount charged for municipal
22 purposes as the third and fourth installments in the preceding tax
23 year, plus one half of the total tax levied against the property or
24 taxpayer for county, school and other purposes, excepting
25 municipal purposes, in the preceding tax year. The amount so
26 derived shall be divided equally for each installment. The amount
27 payable for the third and fourth installments shall be 50% of the
28 full tax levied for municipal purposes against the property or
29 taxpayer for the preceding municipal fiscal year, plus the full tax
30 as levied for the current tax year for county, school and other
31 purposes, excepting municipal purposes, less the amount charged
32 as the first and second installments for county, school and other
33 purposes, excepting municipal purposes. The amount so derived
34 shall be divided equally for each installment. An appropriate
35 adjustment by way of discount shall be made if it appears that
36 the total of that portion of the first two installments which is
37 taxes for county, school or other purposes, excepting municipal
38 purposes, exceeded one-half of the total tax for those purposes as
39 levied for the tax year;

40 [d.] e. Taxes may be received and credited as payments at any
41 time, even prior to the dates hereinbefore fixed for payment.

42 (cf: R.S.54:4-66)

43 ¹[38.] 39.¹ R.S.54:4-67 is amended to read as follows:

44 54:4-67. The governing body of each municipality may by
45 resolution fix the rate of discount to be allowed for the payment
46 of taxes or assessments previous to the date on which they would
47 become delinquent. The rate so fixed shall not exceed 6% per
48 annum, shall be allowed only in case of payment on or before the
49 thirtieth day previous to the date on which the taxes or
50 assessments would become delinquent. The governing body may

1 also fix the rate of interest to be charged for the nonpayment of
2 taxes or assessments on or before the date when they would
3 become delinquent, and may provide that no interest shall be
4 charged if payment of any installment is made within the tenth
5 calendar day following the date upon which the same became
6 payable. The rate so fixed shall not exceed 8% per annum on the
7 first \$1,500.00 of the delinquency and 18% per annum on any
8 amount in excess of \$1,500.00, to be calculated from the date the
9 tax was payable until the date of actual payment.

10 "Delinquency" means ¹[all sums] the sum of all taxes and
11 municipal charges¹ due on a given parcel of property covering
12 any number of quarters or years. The governing body may also
13 fix a penalty to be charged to a taxpayer with a delinquency in
14 excess of \$10,000 who fails to pay that delinquency prior to the
15 end of the calendar year. The penalty so fixed shall not exceed
16 6% of the amount of the delinquency.

17 (cf: P.L.1979, c.435, s.1)

18 ¹[39.] 40.¹ R.S.54:4-91 is amended to read as follows:

19 54:4-91. [On or before March first] Prior to the 60th day after
20 the close of the preceding fiscal year of the municipality,
21 annually, in all taxing districts, the collector shall file with the
22 treasurer or chief financial officer of the taxing district and with
23 the governing body thereof, a statement of the amount of his
24 receipts during the preceding year, and of the amount of taxes
25 added to the preceding year's assessment, taxes of the preceding
26 year abated or canceled and taxes of the preceding year
27 remaining unpaid at the end of said year. Such statement shall be
28 in such form as may be prescribed by the [Commissioner of Local
29 Government] Director of the Division of Local Government
30 Services.

31 (cf: P.L.1944, c.115, s.1)

32 ¹[40.] 41.¹ Section 2 of P.L.1944, c.115 (C.54:4-91.1) is
33 amended to read as follows:

34 2. On or before May first annually, [in all taxing districts] or in
35 municipalities which ¹[have adopted the] operate on the¹ State
36 fiscal year, on or before November 1 annually, the collector shall
37 file with the governing body, and in addition thereto he may,
38 from time to time, file with the governing body, a list in
39 duplicate of delinquent taxes which he believes are not
40 collectible by reason of a fictitious, double or other palpably
41 erroneous assessment or in the case of poll taxes, dog taxes or
42 taxes on personal property, by reason of the removal, absence,
43 death or insolvency of the taxpayer. Such list shall set forth the
44 name of the delinquent if it appears on the tax rolls, the amount
45 due from each delinquent, the type of tax assessed, the period for
46 which the tax was levied and if the tax is upon real property, a
47 description of the property assessed, and in each case the reason
48 why the collector believes that such tax is not collectible.

49 (cf: P.L.1944, c.115, s.2)

50 ¹[41.] 42.¹ R.S.54:5-6 is amended to read as follows:

1 54:5-6 Taxes on lands shall be a lien on the land on which they
2 are assessed on and after the first day of [January of the year]
3 the fiscal year of the municipality for which the taxes are
4 assessed, and all interest, penalties, and costs of collection which
5 thereafter fall due or accrue shall be added to and become a part
6 of such lien.

7 (cf: P.L.1944, c.247, s.1)

8 ¹[42.] 43.¹ R.S.54:5-19 is amended to read as follows:

9 54:5-19. When unpaid taxes or any municipal lien, or part
10 thereof, on real property, remains in arrears on [July] April first
11 in the [calendar] fiscal year following the [calendar] fiscal year
12 when the same became in arrears, or, in the case of
13 municipalities that ¹[have adopted] operate on¹ the State fiscal
14 year, on October first in the fiscal year following the fiscal year
15 when the same became in arrears, the collector or other officer
16 charged by law in the municipality with that duty, shall subject to
17 the provisions of the next paragraph, enforce the lien by selling
18 the property in the manner set forth in this article.

19 The term "collector" as hereinafter used includes any such
20 officer, and the term "officer" includes the collector.

21 The municipality may by resolution direct that where unpaid
22 taxes or other municipal liens, or part thereof, are in arrears for
23 more than one year, such sale shall include only such unpaid taxes
24 or other municipal liens as were in arrears in the year designated
25 in such resolution, and may by resolution, either general or
26 special, direct that there shall be omitted from such sale any or
27 all such unpaid taxes, and other municipal liens, or parts thereof,
28 on real property, upon which regular, equal monthly installment
29 payments are being made, in pursuance to such agreement as may
30 be authorized by said resolution between the collector and the
31 owner or person interested in the property upon which such
32 delinquent taxes may be due; provided, that said agreement shall
33 require payment of such installment payments in amounts large
34 enough to pay in full all delinquent taxes, assessments and other
35 municipal liens held by the municipality, in not more than five
36 years from the date of such agreement; provided. that the
37 extension of time for payment of such arrearages herein
38 authorized shall not apply to any parcel of property which prior
39 thereto has been included in any plan theretofore adopted by any
40 municipality of this State under and pursuant to the provisions of
41 any public statute of this State whereunder prior extensions for
42 the payment of delinquent taxes were authorized; provided
43 further, that the right of any person interested in such property
44 to pay such arrears in such installments shall be conditioned on
45 the prompt payment of the installments of taxes for the current
46 year in which such agreement is made, and all subsequent taxes,
47 assessments and other municipal liens imposed or becoming a lien
48 thereafter, including all installments thereafter payable on
49 assessments theretofore levied, and also the prompt payment of
50 all installments of arrears as hereinbefore authorized; and

1 provided further, that in case any such installment of arrears or
2 any new taxes, assessments or other liens are not promptly paid,
3 that is to say, within thirty days after the date when the same is
4 due and payable, then such agreement shall be void, and in any
5 such case the collector, or other officer charged by law with that
6 duty, shall proceed to enforce such lien by selling in the manner
7 in this article provided.

8 (cf: P.L.1944, c.108, s.1)

9 ¹[43.] 44.¹ R.S.54:5-21 is amended to read as follows:

10 54:5-21. The collector shall make a list of the lands so subject
11 to sale, describing them in accordance with the last tax
12 duplicate, including the name of the owner as shown on the
13 duplicate, amplifying the description in the duplicate if necessary
14 to better identify the parcel. He shall enter on the list all taxes,
15 assessments and other municipal charges which were a lien ¹[on
16 the property on December thirty-first in the calendar year when
17 it became in arrears] at the close of the fiscal year¹. He shall
18 add to the list all unpaid installments of assessments for benefits
19 theretofore levied and existing as immediate or direct benefits,
20 whether then payable or not, so that the list shall be a complete
21 statement of all municipal charges against the property existing
22 ¹[on said December thirty-first] at the close of the fiscal year¹,
23 together with all interest and costs on all of the items of the list
24 computed to [July] ¹[April first or October first following] date
25 of sale¹. If directed so to do by resolution, the collector shall
26 omit from such list such lands as may be subject to sale for
27 unpaid taxes or for any municipal lien, or part thereof, upon
28 which regular installment payments are being made under any
29 agreement or agreements approved by the municipality.

30 (cf: P.L.1945, c.232, s.2)

31 ¹[44.] 45.¹ R.S.54:5-25 is amended to read as follows:

32 54:5-25. After completing the list or sections thereof the
33 collector shall give public notice of the time and place of sale,
34 stating the description of the several lots and parcels of land and
35 the owner's name as contained in the list, together with the total
36 amount due thereon respectively as computed to [said July 1] the
37 date of tax sale and stating in substance that the respective lands
38 will be sold to make the amounts severally chargeable against
39 hem on said [July 1] date as computed in the list, together with
40 interest [from said July 1] to the date of sale, and the costs of
41 sale. [In lieu of stating therein the amount due thereon as of the
42 preceding July 1, the collector may set forth in such notice the
43 amount due thereon as of the date of the sale, including the
44 interest and costs to that date.] No other statements need be
45 included in the notice.

46 (cf: P.L.1965, c.187, s.1)

47 ¹[45.] 46.¹ R.S.54:5-31 is amended to read as follows:

48 54:5-31. At the time and place specified in the notice of sale,
49 or adjournment, the collector shall sell at public auction each
50 parcel of real property which has been so advertised, upon which

1 the municipal liens remain unpaid, unless an error is found
2 requiring readvertisement. The sale shall be made for the
3 amount for which the parcel was advertised, unless that amount
4 is found to be in excess of the correct amount, and then for the
5 correct amount together with the interest thereon [from July 1]
6 unless such interest has already been included in the notice of
7 sale and the costs of sale.

8 (cf: P.L.1965, c.187, s.2)

9 ¹[46.] 47.¹ R.S.54:5-47 is amended to read as follows:

10 54:5-47. The certificate shall be substantially in the following
11 form:

12 "I, , collector of taxes of (name of municipality), hereby
13 certify that on , 19 , I sold to for dollars, the lands in the
14 municipality described as on the tax duplicate of the
15 municipality, and assessed thereon to as owner (followed by
16 amplified description if desired). The amount of sale was made
17 up of the following items (followed by the items, including
18 interest and costs). The sale is subject to redemption on
19 repayment of the amount of the sale, together with interest
20 thereon at the rate of per cent per annum from the date of
21 sale, and the costs incurred by the purchaser. The sale is subject
22 only to municipal liens accruing after [December 31, 19] _____
23 (insert [year] date of last item of taxes or assessment for which
24 sale is made). The right to redeem will expire in 6 months after
25 the service of notice to redeem, except that the right to redeem
26 shall extend for 6 months from the date of sale when the
27 municipality is the purchaser and extend for 2 years from the
28 date of sale for all other purchasers.

29 "Witness my hand and seal this day of , 19 (Followed by
30 acknowledgment)."

31 (cf: P.L.1974, c.91, s.1)

32 ¹[47.] 48.¹ R.S.54:5-61 is amended to read as follows:

33 54:5-61. The holder of the tax title, upon compliance with the
34 provisions of section 54:5-62 of this title, shall be entitled for his
35 expenses, to such sums as he may have actually paid out for
36 recording fees, fees for services of notices necessarily and
37 actually served, and fees and expenses in ascertaining the persons
38 interested in the premises sold, but such fees and expenses shall
39 not exceed in all the sum of twelve dollars, besides the fees
40 actually paid for recording the certificate and fees actually paid
41 for necessary advertising in a newspaper under this chapter.
42 When the taxes, interest and costs shall exceed the sum of two
43 hundred dollars, the holder of the tax title shall be entitled to
44 collect from the owner or other person having an interest in the
45 lands an additional sum equal to two per cent of the amount so
46 paid for the tax title.

47 When the taxes, interest and costs shall exceed the sum of
48 \$5,000, such additional sum shall be equal to 4% of such amount
49 paid; and when that sum exceeds \$10,000, such additional sum
50 shall be equal to 6% of such amount paid. ¹This section shall also

1 apply to all existing certificates held by municipalities on the
2 effective date of this act.¹

3 (cf: R.S.54:5-61)

4 ¹[48.] 49.¹ The following statutes are repealed:

5 Section 2 of P.L.1989, c.31 (C.40A:4-11.1)

6 Section 3 of P.L.1989, c.31 (C.54:4-52a)

7 Section 4 of P.L.1989, c.31 (C.54:4-55a)

8 Section 6 of P.L.1989, c.31 (C.40A:4-45.3a2)

9 Section 7 of P.L.1989, c.31 (C.40A:4-27a)

10 R.S.54:5-20

11 ¹[49.] 50.¹ This act shall take effect immediately, except that
12 sections 28 through 31 shall remain inoperative until January 1,
13 1992.

14

15

16 LOCAL BUDGET AND FINANCE

17

18 Allows municipalities to adopt budget year beginning July 1.

1 date of sale for all other purchasers.

2 "Witness my hand and seal this day of , 19 (Followed by
3 acknowledgment)."

4 (cf: P.L.1974, c.91, s.1)

5 47. R.S.54:5-61 is amended to read as follows:

6 54:5-61. The holder of the tax title, upon compliance with the
7 provisions of section 54:5-62 of this title, shall be entitled for his
8 expenses, to such sums as he may have actually paid out for
9 recording fees, fees for services of notices necessarily and
10 actually served, and fees and expenses in ascertaining the persons
11 interested in the premises sold, but such fees and expenses shall
12 not exceed in all the sum of twelve dollars, besides the fees
13 actually paid for recording the certificate and fees actually paid
14 for necessary advertising in a newspaper under this chapter.
15 When the taxes, interest and costs shall exceed the sum of two
16 hundred dollars, the holder of the tax title shall be entitled to
17 collect from the owner or other person having an interest in the
18 lands an additional sum equal to two per cent of the amount so
19 paid for the tax title.

20 When the taxes, interest and costs shall exceed the sum of
21 \$5,000, such additional sum shall be equal to 4% of such amount
22 paid; and when that sum exceeds \$10,000, such additional sum
23 shall be equal to 6% of such amount paid.

24 (cf: R.S.54:5-61)

25 48. The following statutes are repealed:

26 Section 2 of P.L.1989, c.31 (C.40A:4-11.1)

27 Section 3 of P.L.1989, c.31 (C.54:4-52a)

28 Section 4 of P.L.1989, c.31 (C.54:4-55a)

29 Section 6 of P.L.1989, c.31 (C.40A:4-45.3a2)

30 Section 7 of P.L.1989, c.31 (C.40A:4-27a)

31 R.S.54:5-20

32 49. This act shall take effect immediately, except that
33 sections 28 through 31 shall remain inoperative until January 1,
34 1992.

35

36

37 SPONSOR'S STATEMENT

A4425

38

39 This bill permits municipalities to take several actions to
40 improve their financial stability by changing their fiscal year
41 from a calendar year, to the State fiscal year (July 1 through
42 June 30). This is accomplished by revising numbers of statutes
43 that regulate municipal budgets, property taxing billing, tax
44 appeals, and municipal bonding. Some changes affect all
45 municipalities.

46 The bill addresses the problems of New Jersey's urban centers
47 which are highly dependent on State financial assistance
48 programs because they lack the financial and social structure to
49 raise sufficient operating funds through already high property
50 taxes. Since their budgets are based on a calendar year, and

1 State aid is not available until the start of the State fiscal year
2 on July 1, these municipalities must regularly issue tax
3 anticipation notes at short term interest rates to have sufficient
4 operating cash to meet their obligations during the first half of
5 the year. In addition, because of the increasingly strained fiscal
6 conditions of the State, these municipalities, and the economy as
7 a whole, several municipalities have experienced revenue
8 shortfalls that in 1991 have resulted in deficits in their budgets.

9 The bill addresses these issues by permitting a change in fiscal
10 year to a "State Fiscal Year" starting July 1, 1991. New statutes
11 are created and others amended to permit the following activities:

12 1) The adoption of a "Transition Year" budget to meet
13 operating needs from January 1, through June 30;

14 2) Use of "Fiscal Year Adjustment Bonds", a new financial
15 instrument permitting municipalities and counties to finance the
16 shortfall in state aid they will not receive during the transition
17 year and other deficits to bring their budgets "whole" into the
18 new "State Fiscal Year" to start off on a clean slate;

19 3) In order to minimize drastic changes to the property tax
20 collection system which would affect all municipalities, in lieu of
21 the usual 12 month property tax bill being mailed in June, a six
22 month property bill will be issued in June. Once the new State
23 fiscal year budget is struck by mid-September, a tax bill for the
24 subsequent 6 month period will be issued by October 1. The tax
25 year for assessment purposes remains the same, January 1,
26 through December 31, and taxes would still be paid in four
27 installments on the same dates as now required.

28 A long proposed change in the tax appeal system for all
29 property owners is adopted as part of this bill in order to insure a
30 single property tax assessment and appeal system. As tax appeals
31 are legally an appeal of a tax assessment and not a tax bill,
32 statutes are changed to require that beginning in 1992, all tax
33 appeals must be filed by April 1st of each year, instead of by
34 mid-September, after tax bills are received. In order to continue
35 the practice that property tax payers are made aware of their
36 assessment and changes each year, the municipal tax assessor will
37 issue a statement by the first of January of each year to each
38 property taxpayer stating their current assessment and the taxes
39 that are currently paid on the parcel. In order to improve
40 taxpayer awareness of changes, each assessor will also be
41 required to notify them whenever a change in the assessment of
42 the property takes place.

43 Technical amendments are made to statutes dealing with
44 municipal budget and tax collection due dates, the municipal
45 budget cap law in the transition period, preparation of the Table
46 of Aggregates and the Abstract of Ratables by the County Boards
47 of Taxation. The Directors of the Division of Local Government
48 Services and Taxation are given broad authority to adjust
49 deadlines and practices to meet the intent of the statutory
50 changes.

ASSEMBLY MUNICIPAL GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4425

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 30, 1991

The Assembly Municipal Government Committee favorably reports Assembly Bill No. 4425 with Assembly committee amendments.

Assembly Bill No. 4425, as amended by the committee, requires some, and allows other, municipalities to operate on the State fiscal year. According to the bill's provisions, any municipality with a population of over 35,000 would be required to operate on the State fiscal year (July 1 through June 30), unless the Director of the Division of Local Government Services in the Department of Community Affairs grants an exception to the municipality. The director may deny the grant of an exception if the director determines that it is beneficial for the municipality or its taxpayers to change to the State fiscal year.

Those municipalities with populations of 35,000 or fewer, or those with populations exceeding 35,000 and which are granted an exception by the director, may subsequently decide to adopt the State fiscal year by ordinance.

The bill accomplishes the change to the State fiscal year by revising a number of statutes that regulate municipal budgets, property taxing billing, tax appeals, and municipal bonding. Some statutory dates are amended to create a common standard, regardless of whether the State fiscal year or the calendar year is used by a municipality.

The bill addresses the problems of New Jersey's urban centers which are highly dependent on State financial assistance programs because they lack the financial and social structure to raise sufficient operating funds through already high property taxes. Since their budgets are currently based on the calendar year, and State aid is not available or known until the start of the State fiscal year on July 1, these municipalities must regularly issue tax anticipation notes at short term interest rates to have sufficient operating cash to meet their obligations during the first half of the year. In addition, because of the increasingly strained fiscal conditions of the State, these municipalities, and the economy as a whole, several municipalities have experienced revenue shortfalls that in 1991 have resulted in deficits in their budgets.

The bill addresses these issues by providing for a change in fiscal year to a "State Fiscal Year" starting July 1, 1991. New statutes are created and others are amended to permit the following activities in municipalities that change to the State fiscal year:

1) The adoption of a "Transition Year" budget to meet operating needs from January 1, through June 30;

2) The use of "Fiscal Year Adjustment Bonds", a new financial instrument permitting local units to finance the shortfall in State aid and other deficits to bring their budgets "whole";

3) The issuance of a six-month property tax bill in June in lieu of the usual 12-month property tax bill being mailed in June, in order to minimize drastic changes to the property tax collection system which would affect all municipalities. Once the new State fiscal year budget is struck by mid-September, a tax bill for the subsequent six month period will be issued by October 1. The tax year for assessment purposes remains the same, January 1, through December 31, and taxes would still be paid in four installments on the same dates as now required.

A long-proposed change in the tax appeal system for all property owners is adopted as part of this bill in order to insure a single property tax assessment and appeal system. Since tax appeals are legally an appeal of a tax assessment and not an appeal of a tax bill, statutes are changed to require that beginning in 1992, all tax appeals must be filed by April 1st of each year, instead of by mid-September, after tax bills are received. In order to continue the practice that property taxpayers are made aware of their assessment and changes each year, the municipal tax assessor will issue a statement by the first of February of each year to each property taxpayer stating their current assessment and the taxes that are currently paid on the parcel. In order to improve taxpayer awareness of changes, each assessor will also be required to notify taxpayers whenever a change in the assessment of the property takes place.

Technical amendments are made to statutes dealing with municipal budget and tax collection due dates, the municipal budget cap law in the transition period, and preparation of the Table of Aggregates and the Abstract of Ratables by the County Boards of Taxation. The Director of the Division of Local Government Services and the Director of the Division of Taxation are given broad authority to adjust deadlines and practices to meet the intent of the statutory changes in this bill.

The committee amended the bill to change the provisions governing which municipalities are required to change to the State fiscal year. Under the bill as introduced, all municipalities had the option of changing to the State fiscal year, by ordinance. The committee amended the bill to require those municipalities with populations of over 35,000 to make this change, unless they apply for and are granted an exception by the Director of the Division of Local Government Services. Municipalities with populations of 35,000 or fewer, and those that are granted an exception, may later decide to change to the State fiscal year by ordinance.

Additionally, the committee amendments remove from the bill the cap exception for costs related to the transition.

The committee amendments also make a correction in the reference to jurisdiction over tax collections and the enforcement of liens for property taxes which occurs in the language granting the Director of the Division of Local Government Services and the Local Finance Board the discretion to oversee the transition.

Other amendments are technical and clarifying in nature.

SENATE COUNTY AND MUNICIPAL
GOVERNMENT COMMITTEE

STATEMENT TO

[FIRST REPRINT]

ASSEMBLY, No. 4425

STATE OF NEW JERSEY

DATED: FEBRUARY 25, 1991

The Senate County and Municipal Government Committee reports favorably Assembly Bill No. 4425 (1R).

Assembly Bill No. 4425 (1R) requires some, and allows other, municipalities to operate on the State fiscal year. According to the bill's provisions, any municipality with a population of over 35,000 would be required to operate on the State fiscal year (July 1 through June 30), unless the Director of the Division of Local Government Services in the Department of Community Affairs grants an exception to the municipality. The director may deny the grant of an exception if the director determines that it is beneficial for the municipality or its taxpayers to change to the State fiscal year.

Those municipalities with populations of 35,000 or fewer, or those with populations exceeding 35,000 and which are granted an exception by the director, may subsequently decide to adopt the State fiscal year by ordinance.

The bill accomplishes the change to the State fiscal year by revising a number of statutes that regulate municipal budgets, property taxing billing, tax appeals, and municipal bonding. Some statutory dates are amended to create a common standard, regardless of whether the State fiscal year or the calendar year is used by a municipality.

The bill addresses the problems of New Jersey's urban centers which are highly dependent on State financial assistance programs because they lack the financial and social structure to raise sufficient operating funds through already high property taxes. Since their budgets are currently based on the calendar year, and State aid is not available or known until the start of the State fiscal year on July 1, these municipalities must regularly issue tax anticipation notes at short term interest rates to have sufficient operating cash to meet their obligations during the first half of the year. In addition, because of the increasingly strained fiscal conditions of the State, these municipalities, and the economy as a whole, several municipalities have experienced revenue shortfalls that in 1991 have resulted in deficits in their budgets.

The bill addresses these issues by providing for a change in fiscal year to a "State Fiscal Year" starting July 1, 1991. New statutes are created and others are amended to permit the following activities in municipalities that change to the State fiscal year:

1) The adoption of a "Transition Year" budget to meet operating needs from January 1, through June 30;

2) The use of "Fiscal Year Adjustment Bonds", a new financial instrument permitting local units to finance the shortfall in State aid and other deficits to bring their budgets "whole";

3) The issuance of a six-month property tax bill in June in lieu of the usual 12-month property tax bill being mailed in June, in order to minimize drastic changes to the property tax collection system which would affect all municipalities. Once the new State fiscal year budget is struck by mid-September, a tax bill for the subsequent six month period will be issued by October 1. The tax year for assessment purposes remains the same, January 1, through December 31, and taxes would still be paid in four installments on the same dates as now required.

A long-proposed change in the tax appeal system for all property owners is adopted as part of this bill in order to insure a single property tax assessment and appeal system. Since tax appeals are legally an appeal of a tax assessment and not an appeal of a tax bill, statutes are changed to require that beginning in 1992, all tax appeals must be filed by April 1st of each year, instead of by mid-September, after tax bills are received. In order to continue the practice that property taxpayers are made aware of their assessment and changes each year, the municipal tax assessor will issue a statement by the first of February of each year to each property taxpayer stating their current assessment and the taxes that are currently paid on the parcel. In order to improve taxpayer awareness of changes, each assessor will also be required to notify taxpayers whenever a change in the assessment of the property takes place.

Technical changes are made to statutes dealing with municipal budget and tax collection due dates, the municipal budget cap law in the transition period, and preparation of the Table of Aggregates and the Abstract of Ratables by the County Boards of Taxation. The Director of the Division of Local Government Services and the Director of the Division of Taxation are given broad authority to adjust deadlines and practices to meet the intent of the statutory changes in this bill.



OFFICE OF THE GOVERNOR

NEWS RELEASE

CN-001

Contact:

EMMA BYRNE
NANCY KEARNEY
609-292-8956

TRENTON, N.J. 08625

Release: THURSDAY
MARCH 28, 1991

A D V I S O R Y

Governor Jim Florio today signed an Emergency Rule which would expand the state's present Medicaid program to include an additional 1,100 pregnant women and some 20,000 children.

The rule (91-ER-6), which would take effect on April 1, 1991 would expand Medicaid eligibility for pregnant women and dependent children up to age six whose family income is less than 133% of the federal poverty guideline. Current law caps eligibility at income levels of 100% of the federal poverty level for pregnant women and children up to age two.

The Governor's action today allows New Jersey to comply with federal law and avoid the loss of federal Medicaid funds.

In addition, the Governor signed A-4425, the Municipal Fiscal Year Change Bill. The bill requires any municipality with a population over 35,000 or one that received aid from the Municipal Revitalization Program, to operate on the State Fiscal Year, July 1 through June 30, unless the Director of the Division of Local Government Services grants an exception. Those municipalities with fewer than 35,000 people or those granted exceptions may decide to adopt the State fiscal year by ordinance.

The bill is designed to assist municipalities who are highly dependent on State aid payments. Because these communities function according to calendar year budgets and State aid is not available or known until July 1, they have been forced to issue tax anticipation notes at short-term interest rates to meet their obligations in the first half of the year.

The bill provides for adoption of a "transition year" budget to meet operating needs from January 1 to July 30 of the year in which the change is made. It also provides for the following:

- . a new financial instrument, "Fiscal Year Adjustment Bonds", permitting localities to finance the shortfall in State aid or other deficits.

-more-

the issuance of a 6-month property tax bill by June 14, and a bill for the subsequent 6 months by October 1. The bill maintains the assessment period as January 1 through December 31, and taxes will be paid in quarterly installments on the same dates as is now required.

a change in the assessment and appeal procedure. Currently, appeals must be filed by mid-September, after tax bills are received. Because appeals are based on the assessment rather than on the amount of tax paid, this bill requires that, beginning in 1992, appeals of a tax assessment must be filed by April 1, following receipt of the assessment information. The municipal tax assessor must issue a statement to each property owner by February 1, stating the assessment and the amount of taxes currently paid.

#####