LEGISLATIVE HISTORY CHECKLIST Compiled by the NJ State Law Library

NJSA: 54:4-64

(Municipal property tax-quarterly)

LAWS OF: 1991

CHAPTER: 89

Bill No:

\$2579

Sponsor(s):

Lynch

Date Introduced: April 5, 1990

Committee: Assembly: Municipal Government

County & Municipal Government

A mended during passage:

Yes

A mendments during passage

denoted by asterisks.

Date of Passage:

Assembly:

January 17, 1991

Senate:

April 30, 1990

Date of Approval: April 4, 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:

Νo

Following were printed:

Reports:

Νo

Hearings:

No

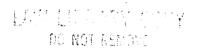
KBG/SLJ

[SECOND REPRINT] SENATE, No. 2579

STATE OF NEW JERSEY

INTRODUCED APRIL 5, 1990

By Senator LYNCH



AN ACT concerning property tax quarterly payment amounts billed by certain municipalities of the State¹, amending R.S.54:4-64, R.S.54:4-65 and R.S.54:4-66¹ and supplementing Title 54 of the Revised Statutes.

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

¹1. R.S.54:4-64 is amended to read as follows:

54:4-64. a. As soon as the tax duplicate is delivered to the collector of the taxing district, as provided in R.S.54:4-55, he shall at once begin the work of preparing, completing, mailing or otherwise delivering tax bills to the individuals assessed, and shall complete that work at least 47 days before the third installment of taxes falls due. He shall also, at least two months before the first installment of taxes for the year falls due, prepare and mail, or otherwise deliver to the individuals assessed, a tax bill for such following first and second installments, computed ²[as hereinafter provided at] by using2 one-half of the complete tax last previously levied or ²by using² the second half of that tax previously levied, ²[whichever is greater] if directed to do so by resolution of the municipal governing body for the tax year². When any individual assessed has authorized the collector to mail or otherwise deliver his tax bill to a mortgagee or any other agent, the collector shall, at the same time, mail or otherwise deliver a duplicate tax bill to the individual assessed and shall print across the face of such duplicate tax bill the following inscription: "This is not a bill -- for advice only." The validity of any tax or assessment, or the time at which it shall be payable, shall not be affected by the failure of a taxpayer to receive a tax bill, but every taxpayer is put on notice to ascertain from the proper official of the taxing district the amount which may be due for taxes or assessments against him or his property.

b. As provided in subsection a. of this section, a mortgagor as the individual assessed for property taxes or other municipal charges with respect to the property securing a mortgage loan, may authorize the tax collector to mail or otherwise deliver his tax bill to a mortgagee or servicing organization. This tax authorization form shall be assignable in the event the mortgagee

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

or servicing organization sells, assigns or transfers the servicing of the mortgage loan to another mortgagee or servicing organization.

- c. The tax collector of the taxing district shall, upon receipt of a written request from a mortgagee or servicing organization on a form approved by the commissioner, mail or otherwise deliver a mortgagor's tax bill to a property tax processing organization. The commissioner shall provide by regulation for a procedure by which the tax collector of a taxing district may request the Director of the Division of Local Government Services in the Department of Community Affairs to review the appropriateness of the request to mail or otherwise deliver a mortgagor's tax bill to a property tax processing organization.
- d. If a mortgagee, servicing organization, or property tax processing organization requests a duplicate copy of a tax bill, the tax collector of a taxing district shall issue a duplicate copy and may charge a maximum of \$5 for the first duplicate copy and a maximum of \$25 for each subsequent duplicate copy of the same tax bill in the same tax year, the actual charge being set by municipal ordinance. The commissioner shall promulgate regulations to effectuate the provisions of this subsection d. which regulations shall include a procedure by which a mortgagee, servicing organization, or property tax processing organization may appeal and be reimbursed for the amount it has paid for a duplicate copy of a tax bill, or any part thereof.
- e. As used in subsections b., c., and d. of this section, "mortgagee," "mortgagor," "mortgage loan," "servicing organization" and "property tax processing organization" shall have the same meaning as the terms have pursuant to section 1 of P.L.1990, c.69 (C.17:16F-15). 1
- 31 (cf: P.L.1990, c.69, s.9)

¹2. R.S.54:4-65 is amended to read as follows:

54:4-65. Each tax bill shall have printed thereon a brief tabulation showing the distribution of the amount raised by taxation in the taxing district, in such form as to disclose the rate per \$100.00 of assessed valuation or the number of cents in each dollar paid by the taxpayer which is to be used for the payment of State school taxes, other State taxes, county taxes, local school expenditures and other local expenditures. The last named item may be further subdivided so as to show the amount for each of the several departments of the municipal government. In lieu of printing such information on the tax bill, any municipality may furnish the tabulation required hereunder and any other pertinent information in a statement accompanying the mailing or delivery of the tax bill.

Also included with the annual tax bill, on a form prescribed by the Director of the Division of Local Government Services in the Department of Community Affairs, the tax collector, in consultation with the chief financial officer of the municipality,

shall prepare a statement. The statement shall report the amounts of State aid and assistance related to service assumptions approved by the Division of Local Government Services, payable to the county, municipality and school district for county, municipal and school district purposes, that offset local tax levies. 1

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

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- ¹[4.] <u>3. (New section)</u>¹ The complete tax bill delivered to each property taxpayer, mortgagee or any other agent by the tax collector pursuant to R.S.54:4-64 for the first half payment computed using the ¹[formula] method¹ set forth in ¹[section 3 of this supplementary act,] that statute¹ shall be divided equally to obtain the first two post tax year quarterly payment installments.
 - ¹4. R.S.54:4-66 is amended to read as follows:
- 54:4-66. Taxes shall be payable and shall be delinquent as hereinafter stated:
- a. Taxes shall be payable the first installment as hereinafter provided on February first, the second installment on May first, the third installment on August first and the fourth installment on November first, after which dates if unpaid, they shall become delinquent;
- b. From and after the respective dates hereinbefore provided for taxes to become delinquent, the taxpayer or property assessed shall be subject to the penalties hereinafter prescribed;
- c. The dates hereinbefore provided for payment of the first and second installments of taxes being before the true amount of the tax will have been determined, the amount to be payable as each of the first two installments shall be one-quarter of the total tax finally levied against the same property or taxpayer for the preceding year or one-half of the tax levied for the second half of the previous tax year, as appropriate, and the amount to be payable for the third and fourth installments shall be the full tax as levied for the current year, less the amount charged as the first and second installments; the amount thus found to be payable as the last two installments shall be divided equally for and as each installment. An appropriate adjustment by way of discount shall be made, if it shall appear that the total of the first and second installments exceeded one-half of the total tax as levied for the year;
- d. Taxes may be received and credited as payments at any time, even prior to the dates hereinbefore fixed for payment. 1 (cf: R.S.54:4-66)
- 1 [5. The director, in accordance with the provisions of the "Administrative Procedure Act, "P.L.1968, c.410 (C.52:140-1 et seq.), shall promulgate such rules and regulations as are necessary to effectuate the purposes of this act.] 1
- ¹[6.] <u>5.</u>¹ This act shall take effect immediately, and shall apply to property taxes assessed and levied for each tax year beginning on or after January 1, 1991.

S2579 [2R]

1		LOCAL TAXATION						
2								
3	Allows	municipalities	to	employ	a	property	tax	quarterly
4	installment leveling mechanism							

SENATE, No. 2579

STATE OF NEW JERSEY

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INTRODUCED APRIL 5, 1990

By Senator LYNCH

AN	ACT	concerning	property	tax	qua	rterly	payment	t amounts
bi	lled by	y certain mu	micipalitie	s of	the	State	and supp	lementing
T	itle 54	of the Revis	sed Statute	es.				

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

- 1. This act shall be known and may be cited as the "Property Tax Payment Management Act."
 - 2. As used in this act:

"Director" means the Director of the Division of Local Government Services in the Department of Community Affairs;

"Pretax year" means the calendar year immediately preceding the tax year pursuant to this act;

"Post tax year" means the calendar year immediately following the tax year pursuant to this act;

"Tax year" means the calendar year in which the general property tax is due and payable;

3. Any municipal governing body may, notwithstanding the provisions of R.S.54:4-64 and R.S.54:4-66 regarding the calculation of the first and second installments, annually prior to June 1 fix by resolution a post tax year first half payment factor (FHPF) or .50, whichever is greater. The first half payment factor shall be calculated as follows:

FHPF = .50 + (.50x(B-A)/A)

Where:

"A" equals the amount of the total property tax levy for the municipality for the pretax year as determined by the chief financial officer of the municipality; and

"B" equals the amount of the total property tax levy for the municipality for the tax year as determined by the chief financial officer of the municipality.

The (FHPF) shall be multipled by the complete tax last previously levied in order to determine the first half payment.

- 4. The complete tax bill delivered to each property taxpayer, mortgagee or any other agent by the tax collector pursuant to R.S.54:4-64 for the first half payment computed using the formula set forth in section 3 of this supplementary act, shall be divided equally to obtain the first two post tax year quarterly payment installments.
- 5. The director, in accordance with the provisions of the "Administrative Procedure Act, "P.L.1968, c.410 (C.52:140-1 et

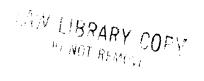
1	seq.), shall promulgate such rules and regulations as are necessary				
2	to effectuate the purposes of this act.				
3	6. This act shall take effect immediately, and shall apply to				
4	property taxes assessed and levied for each tax year beginning on				
5	or after January 1, 1991.				
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8	STATEMENT				
9					
10	This bill allows municipalities to increase the first half year				
11	property tax payments by a factor which reflects the most				
12	current increase in the property tax levy.				
13	In so doing, this bill provides municipal officials with a				
14	management tool allowing them to even out the municipality's				
15	quarterly cash flow from property tax payments. This will afford				
16	municipalities a greater control over their finances, while				
17	reducing the need for municipal borrowing in anticipation of				
18	future receipts. Property taxpayers, in municipalities that				
19	accurately employ this property tax installment leveling				
20	mechanism, should experience very little change between their				
21	spring and fall quarterly property tax bills.				
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24	LOCAL TAXATION				
25					
26	Allows municipalities to employ a property tax quarterly				
27	installment leveling mechanism.				

ASSEMBLY MUNICIPAL GOVERNMENT COMMITTEE

STATEMENT TO

SENATE, No. 2579

with committee amendments



STATE OF NEW JERSEY

DATED: OCTOBER 11, 1990

The Assembly Municipal Government Committee reports favorably Senate Bill No. 2579 with Assembly committee amendments.

Senate Bill No. 2579, as amended by the committee, requires municipalities to calculate the first half year property tax payments either by using one-half of the complete tax previously levied in the previous tax year or by using one-half of the second half of tax levied for the previous tax year, whichever is greater. This method is intended to temper dramatic fluctuations between the first half tax estimates and the second half tax payment balance by more accurately reflecting in the first half of the current tax year the previous year's increase in the property tax levy.

In so doing, this bill provides municipal officials with a management tool that allows the smoothing of a municipality's quarterly cash flow from property tax payments. This will afford municipalities a greater control over their finances, while reducing the need for municipal borrowing in anticipation of future property tax receipts. Under this property tax installment leveling mechanism property taxpayers should experience less difference between their spring and fall quarterly property tax bills than under the current system.

The committee amended the bill to remove the mathematical leveling formula in favor of using a leveling mechanism based on previous tax payments. The committee also deleted most of the supplementary provisions of the bill and instead amended various provisions of existing law for clarity. Further, the committee amended the bill to require that a statement be sent with the annual tax bill reporting payments of State aid that act to offset local tax levies for the county, municipality and school district.

SENATE COUNTY AND MUNICIPAL GOVERNMENT COMMITTEE

STATEMENT TO

SENATE, No. 2579

STATE OF NEW JERSEY

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DATED: APRIL 26, 1990

The Senate County and Municipal Government Committee reports favorably Senate Bill No. 2579.

Senate Bill No. 2579 allows municipalities to increase the first half year property tax payments by a factor which reflects the most current increase in the property tax levy.

In so doing, this bill provides municipal officials with a management tool allowing them to even out the municipality's quarterly cash flow from property tax payments. This will afford municipalities a greater control over their finances, while reducing the need for municipal borrowing in anticipation of future receipts. Property taxpayers, in municipalities that accurately employ this property tax installment leveling mechanism, should experience very little change between their spring and fall quarterly property tax bills.