

54:4-64

LEGISLATIVE HISTORY CHECKLIST
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(Property tax billing--
amendments)

NJSA: 54:4-64

LAWS OF: 1991 CHAPTER: 410

BILL NO: S3541

SPONSOR(S) Lynch

DATE INTRODUCED: June 13, 1991

COMMITTEE: ASSEMBLY: ---
SENATE: County & Municipal Government

AMENDED DURING PASSAGE: Yes Amendments during passage denoted by asterisks

DATE OF PASSAGE: ASSEMBLY: January 6, 1992
SENATE: July 15, 1991

DATE OF APPROVAL: January 17, 1992

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: No
SENATE: Yes

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

See newspaper clippings--attached

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PROPERTY

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SENATE, No. 3541

STATE OF NEW JERSEY

INTRODUCED JUNE 13, 1991

By Senator LYNCH

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1 AN ACT ¹[making certain corrections in laws governing]
2 concerning¹ property tax billing and amending R.S.54:4-64,
3 R.S.54:4-65, R.S.54:4-66 and P.L.1991, c.89.

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

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

8 54:4-64. a. As soon as the tax duplicate is delivered to the
9 collector of the taxing district, as provided in R.S.54:4-55, he
10 shall at once begin the work of preparing, completing, mailing or
11 otherwise delivering tax bills to the individuals assessed, and shall
12 complete that work [at least 47 days before the third installment
13 of taxes falls due] on or before June 14. He shall also, at least
14 two months before the first installment of taxes for the year falls
15 due, or in municipalities operating on the State fiscal year, on or
16 before October 1 of the pre-tax year, prepare and mail, or
17 otherwise deliver to the individuals assessed, a tax bill for such
18 following first and second installments, computed [by using
19 one-half of the complete tax last previously levied or by using
20 the second half of that tax previously levied, if directed to do so
21 by resolution of the municipal governing body for the tax year] as
22 provided in R.S.54:4-66. When any individual assessed has
23 authorized the collector to mail or otherwise deliver his tax bill
24 to a mortgagee or any other agent, the collector shall, at the
25 same time, mail or otherwise deliver a duplicate tax bill to the
26 individual assessed and shall print across the face of such
27 duplicate tax bill the following inscription: "This is not a bill --
28 for advice only." The validity of any tax or assessment, or the
29 time at which it shall be payable, shall not be affected by the
30 failure of a taxpayer to receive a tax bill, but every taxpayer is
31 put on notice to ascertain from the proper official of the taxing
32 district the amount which may be due for taxes or assessments
33 against him or his property.

34 b. As provided in subsection a. of this section, a mortgagor as
35 the individual assessed for property taxes or other municipal
36 charges with respect to the property securing a mortgage loan,
37 may authorize the tax collector to mail or otherwise deliver his
38 tax bill to a mortgagee or servicing organization. This tax

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 Senate SCM committee amendments adopted June 24, 1991.

² Senate floor amendments adopted June 27, 1991.

1 authorization form shall be assignable in the event the mortgagee
2 or servicing organization sells, assigns or transfers the servicing
3 of the mortgage loan to another mortgagee or servicing
4 organization.

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

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

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

32 (cf: P.L.1991, c.89, s.1)

33 2. Section 3 of P.L.1991, c.89 (C.54:4-64a) is amended to read
34 as follows:

35 3. The complete tax bill delivered to each property taxpayer,
36 mortgagee or any other agent by the tax collector pursuant to
37 R.S.54:4-64 for the first half payment computed using the
38 method set forth in [that statute] R.S.54:4-66 shall be divided
39 equally to obtain the first two post tax year quarterly payment
40 installments.

41 (cf: P.L.1991, c.89, s.3)

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

43 54:4-65. In addition to the requirements set forth hereunder,
44 the Director of the Division of Local Government Services in the
45 Department of Community Affairs shall approve the form and
46 content of property tax bills.

47 Each tax bill shall have printed thereon a brief tabulation
48 showing the distribution of the amount raised by taxation in the
49 taxing district, in such form as to disclose the rate per \$100.00 of
50 assessed valuation or the number of cents in each dollar paid by

1 the taxpayer which is to be used for the payment of State school
2 taxes, other State taxes, county taxes, local school expenditures
3 and other local expenditures. The last named item may be
4 further subdivided so as to show the amount for each of the
5 several departments of the municipal government. In lieu of
6 printing such information on the tax bill, any municipality may
7 furnish the tabulation required hereunder and any other pertinent
8 information in a statement accompanying the mailing or delivery
9 of the tax bill.

10 [Also included with the annual tax bill, on a form prescribed by
11 the Director of the Division of Local Government Services in the
12 Department of Community Affairs, the tax collector, in
13 consultation with the chief financial officer of the municipality,
14 shall prepare a statement. The statement shall report the
15 amounts of State aid and assistance related to service
16 assumptions approved by the Division of Local Government
17 Services, payable to the county, municipality and school district
18 for county, municipal and school district purposes, that offset
19 local tax levies]

20 The tax bill shall also contain a statement reporting amounts of
21 State aid and assistance received by the municipality, school
22 districts, special districts and county governments used to offset
23 local tax levies ¹[and reporting the amount of tax rate and tax
24 levy savings resulting from State aid provided pursuant to the
25 "Supplemental Municipal Property Tax Relief Act," P.L.1991,
26 c.63 (C.52:27D-118.32 et al.), which was enacted by the
27 Legislature]¹. The director shall provide each tax collector with
28 a certification of the amounts of said State aid and assistance for
29 inclusion in the tax bill.

30 (cf: P.L.1991, c.89, s.2)

31 4. R.S.54:4-66 is amended to read as follows:

32 54:4-66. Taxes shall be payable and shall be delinquent as
33 hereinafter stated:

34 a. Taxes shall be payable the first installment as hereinafter
35 provided on February first, the second installment on May first,
36 the third installment on August first and the fourth installment
37 on November first, after which dates if unpaid, they shall become
38 delinquent;

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

42 c. [The] In municipalities with a January 1 through
43 December 31 fiscal year, the dates hereinbefore provided for
44 payment of the first and second installments of taxes being
45 before the true amount of the tax will have been determined, the
46 amount to be payable as each of the first two installments shall
47 be one-quarter of the total tax finally levied against the same
48 property or taxpayer for the preceding year or, if directed to do
49 so for the tax year by resolution of the municipal governing body,
50 one-half of the tax levied for the second half of the [previous]

1 preceding tax year, as appropriate[,] and the amount to be
2 payable for the third and fourth installments shall be the full tax
3 as levied for the current year, less the amount charged as the
4 first and second installments; the amount thus found to be
5 payable as the last two installments shall be divided equally for
6 and as each installment. An appropriate adjustment by way of
7 discount shall be made, if it shall appear that the total of the
8 first and second installments exceeded one-half of the total tax
9 as levied for the year;

10 d. In municipalities that operate on the State fiscal year, there
11 shall be two annual tax bills delivered and the amounts payable
12 shall be as follows:

13 (1) In the tax year in which the fiscal year is changed, a tax
14 bill shall be delivered on or before June 14 of the tax year for the
15 third and fourth installments. The amount to be payable for the
16 two installments shall be ¹[50% of the full tax levied against the
17 same property or taxpayer for municipal purposes in the
18 preceding tax year,] the full tax levied against the same property
19 or taxpayer for municipal purposes in the preceding tax year, less
20 the amount charged as the first and second installments for
21 municipal purposes for the current calendar year;¹ plus the full
22 tax as levied for the current tax year for county, school and other
23 purposes, excepting municipal purposes, less the amount charged
24 as the first and second installments for county, school and other
25 purposes, excepting municipal purposes; the amount found to be
26 payable shall be divided equally for each installment.

27 (2) Thereafter, in each tax year a tax bill shall be delivered on
28 or before October 1 of the pre-tax year for the first and second
29 installments of the tax year and on or before June 14 for the
30 third and fourth installments. The amount to be payable for the
31 first two installments shall be the full tax levied for municipal
32 purposes against the property or taxpayer for the current
33 municipal fiscal year less the amount charged for municipal
34 purposes as the third and fourth installments in the preceding tax
35 year, plus one half of the total tax levied against the property or
36 taxpayer for county, school and other purposes, excepting
37 municipal purposes, in the preceding tax year. ²If, pursuant to an
38 appropriate certification of taxes payable, the total amount to be
39 payable for the first two installments is less than the total
40 obligation for county, school or other purposes for the first and
41 second installments of the tax year, the municipality shall
42 proportionately adjust tax billings in order to meet the
43 obligation.² The amount so derived shall be divided equally for
44 each installment. The amount payable for the third and fourth
45 installments shall be ¹[50% of the full tax levied for municipal
46 purposes against the property or taxpayer for the preceding
47 municipal fiscal year,] the full tax levied against the same
48 property or taxpayer for municipal purposes in the preceding
49 municipal fiscal year, less the amount charged as the first and
50 second installments for municipal purposes for the current

1 calendar year;¹ plus the full tax as levied for the current tax year
2 for county, school and other purposes, excepting municipal
3 purposes, less the amount charged as the first and second
4 installments for county, school and other purposes, excepting
5 municipal purposes. The amount so derived shall be divided
6 equally for each installment. An appropriate adjustment by way
7 of discount shall be made if it appears that the total of that
8 portion of the first two installments which is taxes for county,
9 school or other purposes, excepting municipal purposes, exceeded
10 one-half of the total tax for those purposes as levied for the tax
11 year²[¹. An appropriate adjustment by way of addition shall be
12 made if it appears that the total of that portion of the first two
13 installments which is taxes for county, school or other purposes
14 excepting municipal purposes is less than half of the total tax for
15 those purposes as levied for the tax year¹]²;

16 e. Taxes may be received and credited as payments at any
17 time, even prior to the dates hereinbefore fixed for payment.

18 (cf: P.L.1991, c.89, s.4)

19 5. This act shall take effect immediately, and shall apply to
20 property taxes assessed and levied for each tax year beginning on
21 or after January 1, 1991.

22

23

24

LOCAL BUDGET AND FINANCE

25

26 Reconciles conflicting laws and makes certain property tax
27 billing changes.

1 taxes for county, school or other purposes, excepting municipal
2 purposes, exceeded one-half of the total tax for those purposes as
3 levied for the tax year;

4 e. Taxes may be received and credited as payments at any
5 time, even prior to the dates hereinbefore fixed for payment.

6 (cf: P.L.1991, c.89, s.4)

7 5. This act shall take effect immediately, and shall apply to
8 property taxes assessed and levied for each tax year beginning on
9 or after January 1, 1991.

10
11
12 STATEMENT
13

14 This bill is corrective legislation, intended to reconcile three
15 recent enactments which amended the same sections of law and
16 which inadvertently omitted provisions of, and failed to refer to,
17 one another.

18 The three enactments are: P.L.1991, c.63; P.L.1991, c.75; and
19 P.L.1991, c.89, all of which have overlapping sections which
20 concern municipal property tax billing.

21 This bill changes sections of existing law created or amended
22 by the above three enactments in the following way:

23 (1) R.S.54:4-64 is reconciled in favor of P.L.1991, c.75;

24 (2) A statutory citation is changed in C.54:4-64a (enacted by
25 section 3 of P.L.1991, c.89) concerning the manner in which
26 quarterly property tax installments are calculated in light of
27 amendments to R.S.54:4-66 made by P.L.1991, c.75;

28 (3) R.S.54:4-65 is reconciled in favor of P.L.1991, c.63 and
29 P.L.1991, c.75; and

30 (4) R.S.54:4-66 is reconciled in favor of P.L.1991, c.75.

31 The effective date is reconciled in favor of P.L.1991, c.89.
32
33

34 LOCAL BUDGET AND FINANCE
35

36 Reconciles P.L.1991, c.89, c.75 and c.63.

SENATE COUNTY AND MUNICIPAL
GOVERNMENT COMMITTEE

STATEMENT TO

SENATE, No. 3541

with Senate committee amendments

STATE OF NEW JERSEY

DATED: JUNE 24, 1991

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The Senate County and Municipal Government Committee reports favorably Senate Bill No. 3541 with Senate committee amendments.

Senate Bill No. 3541, as amended by the committee, is intended to reconcile three recent enactments which amended the same sections of law and which inadvertently omitted provisions of, and failed to refer to, one another. Additionally, the bill consolidates language contained in the three enactments concerning the approval of tax bill format and content by the Director of the Division of Local Government Services in the Department of Community Affairs and clarifies the tax "leveling" mechanism for municipalities.

The three enactments reconciled by Senate Bill No. 3541 are: P.L.1991, c.63; P.L.1991, c.75; and P.L.1991, c.89, all of which have overlapping sections which concern municipal property tax billing.

This bill changes sections of existing law created or amended by the above three enactments in the following way:

- (1) R.S.54:4-64 is reconciled in favor of P.L.1991, c.75;
- (2) A statutory citation is changed in C.54:4-64a (enacted by section 3 of P.L.1991, c.89) concerning the manner in which quarterly property tax installments are calculated in light of amendments to R.S.54:4-66 made by P.L.1991, c.75;
- (3) R.S.54:4-65 is reconciled in favor of P.L.1991, c.75; and
- (4) R.S.54:4-66 is reconciled in favor of P.L.1991, c.75.

The effective date is reconciled in favor of P.L.1991, c.89.

The committee amended the bill to reconcile R.S.54:4-65 in favor of P.L.1991, c.75. In omitting the language of P.L.1991, c.63, the amendment removes the requirement that the tax bill statement report the amount of "tax rate and tax levy savings" resulting from State aid provided pursuant to the "Supplemental Municipal Property Tax Relief Act," P.L.1991, c.63 (C.52:27D-118.32 et al.).

The committee also amended the bill to make a correction in the tax bill formula for those municipalities which operate on the State fiscal year. This amendment would make permanent a joint order from the Directors of the Division of Local Government Services and the Division of Taxation which was issued to correct the matter for 1991.

In addition, the committee amended the bill to allow for an adjustment in the property tax leveling mechanism in the event that the total portion of the first two installments for county, school or other purposes is less than one-half of the total tax for those purposes for the tax year. As enacted, the formula allowed for an adjustment by way of discount in the event that the taxes for the first two installments exceeded one-half of the total tax, but did not address the opposite situation.