

ASSEMBLY, No. 556

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:
Assemblyman ROBERT AUTH
District 39 (Bergen and Passaic)

SYNOPSIS

Permits municipalities to issue two separate property tax bills to property taxpayers; requires fire districts, school districts, and county governments to share in burden of property assessment appeal refunds.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT designated the “Transparent Tax Act of 2015,” amending
2 various parts of the statutory law, and supplementing chapter 4
3 of Title 54 of the Revised Statutes.
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
7

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

9 54:4-65. a. The Director of the Division of Local Government
10 Services in the Department of Community Affairs shall approve the
11 form and content of property tax bills.

12 b. (1) **【Each】** Except in those municipalities that send out two
13 separate property tax bills as permitted in subsection f. of this
14 section, each tax bill shall have printed thereon a brief tabulation
15 showing the distribution of the amount raised by taxation in the
16 taxing district, in such form as to disclose the rate per \$100.00 of
17 assessed valuation or the number of cents in each dollar paid by the
18 taxpayer which is to be used for the payment of State school taxes,
19 other State taxes, county taxes, local school expenditures, free
20 public library taxes, and other local expenditures. The last named
21 item may be further subdivided so as to show the amount for each
22 of the several departments of the municipal government. In lieu of
23 printing such information on the tax bill, any municipality may
24 furnish the tabulation required hereunder and any other pertinent
25 information in a statement accompanying the mailing or delivery of
26 the tax bill.

27 (2) When a parcel receives a homestead property tax credit
28 pursuant to the provisions of P.L.2007, c.62 (C.18A:7F-37 et al.),
29 the amount of the credit shall be included with the tax calculation as
30 a reduction in the total tax calculation for the year. One-half of the
31 amount of the credit shall be deducted from taxes otherwise due for
32 the third installment and the remaining one-half shall be deducted
33 from taxes otherwise due for the fourth installment.

34 (3) There shall be included on or with the tax bill the delinquent
35 interest rate or rates to be charged and any end of year penalty that
36 is authorized and any other such information that the director may
37 require from time to time.

38 c. The tax bill shall also include a statement about the
39 availability of, on the Internet website of the Department of
40 Community Affairs, the amounts of State aid and assistance
41 received by the municipality, school districts, special districts, free
42 public libraries, and county governments that offset property taxes
43 that are otherwise due on each parcel. The tax bill shall also
44 include the link to the Internet website of the Department of
45 Community Affairs containing this information. The director shall

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.

1 cause the amounts of said State aid and assistance that shall serve as
2 the basis for the calculation for each parcel to be displayed on the
3 Internet website of the Department of Community Affairs. The
4 director shall set standards for the display of the statement on the
5 tax bill.

6 d. The tax bill or form mailed with the tax bill shall include
7 thereon the date upon which each installment is due.

8 e. If a property tax bill includes in its calculation a homestead
9 property tax credit, the bill shall, in addition to the calculation
10 showing taxes due, either display a notice concerning the credit on
11 the face of the property tax bill or with a separate notice, with the
12 content and wording as the director provides.

13 f. (1) In lieu of sending one property tax bill to each taxpayer
14 as otherwise provided in subsection b. of this section, the governing
15 body of a municipality may, by resolution, authorize the tax
16 collector to issue two separate property tax bills to each property
17 taxpayer within the taxing district. One tax bill shall state only the
18 amount of property taxes due and payable for municipal purposes.
19 The second property tax bill shall state the amount of property taxes
20 due and payable, after allowance any property tax deductions that
21 are permitted by law, for county purposes, school purposes, fire
22 district purposes, and for the purposes of any other special district
23 on behalf of which the municipality collects property taxes.

24 Both tax bills shall include a brief tabulation showing the
25 distribution of the total amount raised by property taxation in the
26 taxing district by purpose of tax in such form as to disclose the rate
27 per \$100 of assessed valuation or the number of cents in each dollar
28 paid by the taxpayer to be used for the payment of the taxes shown
29 on each property tax bill.

30 In the event that other State or local taxes are imposed, and are to
31 be collected, locally after the effective date of
32 P.L. , c. (pending before the Legislature as this bill), only those
33 additional taxes to be raised for municipal budgets shall appear on
34 the municipal purposes property tax bill. All other such taxes shall
35 appear on the second property tax bill along with county purposes
36 property taxes, school purposes property taxes, fire district purposes
37 property taxes, and property taxes for any other special district on
38 behalf of which the municipality collects property taxes.

39 (2) A mortgage company making property tax payments on
40 behalf of a taxpayer shall not be required to make separate
41 municipal and non-municipal tax payments to a municipality even
42 though the mortgage company receives two separate property tax
43 bills from a municipality.

44 (3) The Director of the Division of Local Government Services
45 in the Department of Community Affairs shall, pursuant to the
46 "Administrative Procedure Act." P.L.1968, c.410 (C.52:14B-1 et
47 seq.), promulgate such rules and regulations, and design such forms,

1 as are necessary to effectuate the purposes of this subsection.
2 (cf: P.L.2015, c.95, s.31)

3

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

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

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

20

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

22 40A:14-79. Upon proper certification pursuant to section 9 of
23 P.L.1979, c.453 (C.40A:14-78.5), the assessor of the municipality
24 in which the fire district is situate shall assess the amount to be
25 raised by taxation to support the district budget against the taxable
26 property therein, in the same manner as municipal taxes are
27 assessed and the said amount shall be assessed, levied and collected
28 at the same time and in the same manner as other municipal taxes.

29 For the purposes of this section:

30 "District tax due" or "tax due" means the total sum of the amount
31 so assessed less the district's proportionate share of the property
32 taxes no longer owed by the municipality pursuant to the blue acres
33 property tax exemption established by subsection b. of section 1 of
34 P.L.2013, c.261 (C.54:4-3.3g) **【and】** , less any applicable credit
35 established by subsection e. of section 1 of P.L.2013, c.261 (C.54:4-
36 3.3g) plus the district's proportionate share of the property taxes
37 refunded by the municipality in the preceding tax year pursuant to
38 subsection a. of section 2 of P.L. , c. (C.) (pending before
39 the Legislature as this bill).

40 The collector or treasurer of the municipality in which said
41 district is situate shall pay over all district tax due to the treasurer or
42 custodian of funds of said fire district as follows: on or before
43 April 1, an amount equaling 21.25% of all tax due; on or before
44 July 1, an amount equaling 22.5% of all tax due; on or before
45 October 1, an amount equaling 25% of all tax due; and on or before
46 December 31, an amount equaling the difference between the total
47 of all tax due, and the total of the quarterly amounts of such moneys
48 previously paid over to the fire district. These moneys are to be

1 held and expended for the purpose of providing and maintaining
2 means for extinguishing fires in such district.

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

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

20 (cf: P.L.2013, c.261, s.2)

21

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

23 54:4-74. For the purpose of this section:

24 "County tax due" or "tax due" means the total sum of the amount
25 so assessed less the county's proportionate share of the property
26 taxes no longer owed by the municipality pursuant to the blue acres
27 property tax exemption established by subsection b. of section 1 of
28 P.L.2013, c.261 (C.54:4-3.3g) [and] , less any applicable credit
29 established by subsection e. of section 1 of P.L.2013, c.261 (C.54:4-
30 3.3g) plus the district's proportionate share of the property taxes
31 refunded by the municipality in the preceding tax year pursuant to
32 subsection a. of section 2 of P.L. , c. (C.) (pending before
33 the Legislature as this bill).

34 The governing body of each municipality shall cause to be paid
35 to the treasurer of the county, in four installments, the amount of
36 county tax due, and the other county taxes required to be assessed
37 and raised in such municipality, on the fifteenth day of the month in
38 which each installment of taxes shall become payable, except, that
39 in those years when the third installment has been determined by
40 the tax collector to be due after August 10, the installment shall be
41 due no later than five days after the twenty-fifth day from when the
42 tax bill was mailed or otherwise delivered pursuant to subsection a.
43 of R.S.54:4-64, but no later than September 15. The amount to be
44 payable as each of the first two installments shall be one-quarter of
45 the total county tax due and one-quarter of the other total county
46 taxes finally levied against the municipality for the preceding year,
47 and the amount to be payable for the third and fourth installments
48 shall be the county tax due, and for the other county taxes the full

1 tax as levied, for the current year, less the amount charged as the
2 first and second installments. The total amount thus found to be
3 payable as the last two installments shall be divided equally for and
4 as each installment. The governing body of each municipality shall
5 cause to be paid to the county treasurer on December fifteenth of
6 each year all of the taxes required to be assessed and raised by
7 taxation in such taxing district for State school and other State
8 purposes.

9 (cf: P.L.2013, c.261, s.3)

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

12 54:4-75. For the purpose of this section:

13 "School tax due" or "tax due" means the total sum of the amount
14 so assessed less the school district's proportionate share of the
15 property taxes no longer owed by the municipality pursuant to the
16 blue acres property tax exemption established by subsection b. of
17 section 1 of P.L.2013, c.261 (C.54:4-3.3g) **【and】** , less any
18 applicable credit established by subsection e. of section 1 of
19 P.L.2013, c.261 (C.54:4-3.3g) plus the district's proportionate share
20 of the property taxes refunded by the municipality in the preceding
21 tax year pursuant to subsection a. of section 2 of
22 P.L. , c. (C.) (pending before the Legislature as this bill).

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

47 (cf: P.L.2013, c.261, s.4)

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1 property tax refunds from the amounts to be paid to the county and
2 each school district and fire district as required by N.J.S.40A:14-79,
3 R.S.54:4-74 and R.S.54:4-75.

4 It is intended that this provision will ease the burden of property
5 assessment appeal refunds on municipal budgets by spreading the
6 amount of a taxpayer refund proportionately between all taxing
7 districts on behalf of which a municipality collects property taxes.