

ASSEMBLY, No. 1851

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblywoman VALERIE VAINIERI HUTTLE
District 37 (Bergen)

Co-Sponsored by:

Assemblymen Webber and Rooney

SYNOPSIS

Exempts certain properties acquired by municipalities from county, school, and fire district taxes immediately upon acquisition.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** exempting certain properties acquired by municipalities
 2 from taxation, amending various sections of statutory law, and
 3 supplementing chapter 4 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. a. (New section) As used in P.L. , c. (C.) (pending
 9 before the Legislature as this bill), “blue acres property tax
 10 exemption” means the property tax exemption established in
 11 subsection b. of this section.

12 b. A parcel of real property acquired by a municipality using
 13 funds made available under a federal, county, municipal, or State
 14 program for the acquisition of parcels of real property situated in
 15 flood-prone areas of the municipality shall become tax exempt on
 16 the date of its acquisition by the municipality. For the purposes of
 17 this section, the grant of the right of possession, or vesting of title,
 18 whichever shall first occur, to the municipality, shall be deemed to
 19 be the acquisition with respect to such parcel of real property.

20 c. A municipality shall provide written notice of its intention to
 21 acquire a parcel or parcels of real property situated in a flood-prone
 22 area of the municipality to the county, the school board, and any
 23 board of fire commissioners in the municipality, not less than 15
 24 calendar days prior to the adoption of their respective budgets. If
 25 federal, county, municipal, or State funds are not made available to
 26 a municipality for the purpose of acquiring flood-prone properties
 27 before the adoption of the county, school, and fire district budgets,
 28 the municipality shall provide the written notice of its intention to
 29 acquire the real property as soon as it is practicable, but not later
 30 than 15 calendar days after the receipt of such funds.

31 d. (1) If, at the time of any acquisition pursuant to subsection
 32 b. of this section, the property owner has paid the taxes for a period
 33 beyond the date of the acquisition by the municipality, the
 34 municipality shall reimburse to the property owner the amount of
 35 the property taxes paid by the property owner for the period beyond
 36 the date of acquisition. Such reimbursement shall be made to that
 37 property owner not later than 15 calendar days after the next regular
 38 meeting of the governing body of the municipality following the
 39 acquisition of the parcel of real property by the municipality.

40 (2) In the event of any dispute between the property owner and
 41 the municipality with respect to the amount of a reimbursement of
 42 the property taxes paid by the property owner for the remaining
 43 portion of the tax year beyond the date of acquisition, the Tax Court
 44 shall have jurisdiction to determine the amount of the
 45 reimbursement in a summary manner on the application of the

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 property owner, and shall make any order as may be required and
2 appropriate to carry out the court's determination.

3 e. If, at the time of any acquisition pursuant to subsection b. of
4 this section, the municipality has paid any tax due to a county,
5 school district, or fire district for a period beyond the date of the
6 acquisition by the municipality, the municipality shall be entitled to
7 credit against the next installment of tax due to be paid to a
8 county, school district, or fire district the amount of the property
9 taxes paid by the municipality for the period beyond the date of
10 acquisition.

11
12 2. N.J.S.40A:14-79 is amended to read as follows:

13 40A:14-79. Upon proper certification pursuant to section 9 of
14 P.L.1979, c.453 (C.40A:14-78.5), the assessor of the municipality
15 in which the fire district is situate shall assess the amount to be
16 raised by taxation to support the district budget against the taxable
17 property therein, in the same manner as municipal taxes are
18 assessed and the said amount shall be assessed, levied and collected
19 at the same time and in the same manner as other municipal taxes.

20 For the purposes of this section:

21 "District tax due" or "tax due" means the amount so assessed less
22 the district's proportionate share of the property taxes no longer
23 owed by the municipality pursuant to the blue acres property tax
24 exemption established by subsection b. of section 1 of
25 P.L. , c. (C.) (pending before the Legislature as this bill)
26 and less any applicable credit established by subsection e. of section
27 1 of P.L. , c. (C.) (pending before the Legislature as this
28 bill).

29 The collector or treasurer of the municipality in which said
30 district is situate shall pay over all **【moneys so assessed】** district
31 tax due to the treasurer or custodian of funds of said fire district as
32 follows: on or before April 1, an amount equaling 21.25% of all
33 **【moneys so assessed】** tax due; on or before July 1, an amount
34 equaling 22.5% of all **【moneys so assessed】** tax due; on or before
35 October 1, an amount equaling 25% of all **【moneys so assessed】** tax
36 due; and on or before December 31, an amount equaling the
37 difference between the total of all **【moneys so assessed】** tax due,
38 and the total **【amount】** of the quarterly amounts of such moneys
39 previously paid over**【,】** to the fire district. These moneys are to be
40 held and expended for the purpose of providing and maintaining
41 means for extinguishing fires in such district.

42 Notwithstanding anything herein to the contrary, the municipal
43 governing body may authorize, in the cash management plan
44 adopted by it pursuant to N.J.S.40A:5-14, a schedule of payments
45 of fire district **【moneys】** tax due by which an amount greater than
46 required on any of the first three payment dates cited herein may be
47 paid over. The municipal governing body and board of fire

1 commissioners may, by concurrent resolution, adopt a schedule of
2 payments of fire district **【moneys】** tax due by which an amount less
3 than required on any of the first three payment dates cited herein
4 may be paid over. Such resolution shall be included in the cash
5 management plan adopted by the municipal governing body
6 pursuant to N.J.S.40A:5-14.

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

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

14
15 3. R.S.54:4-74 is amended to read as follows:

16 54:4-74. For the purpose of this section:

17 "County tax due" or "tax due" means the amount so assessed less
18 the county's proportionate share of the property taxes no longer
19 owed by the municipality pursuant to the blue acres property tax
20 exemption established by subsection b. of section 1 of
21 P.L. , c. (C.) (pending before the Legislature as this bill)
22 and less any applicable credit established by subsection e. of section
23 1 of P.L. , c. (C.) (pending before the Legislature as this
24 bill).

25 The governing body of each municipality shall cause to be paid
26 to the treasurer of the county, in four installments, the amount of
27 county tax due, and the other county taxes required to be assessed
28 and raised in such municipality, on the fifteenth day of the month in
29 which each installment of taxes shall become payable, except, that
30 in those years when the third installment has been determined by
31 the tax collector to be due after August 10, the installment shall be
32 due no later than five days after the twenty-fifth day from when the
33 tax bill was mailed or otherwise delivered pursuant to subsection a.
34 of R.S.54:4-64, but no later than September 15. The amount to be
35 payable as each of the first two installments shall be one-quarter of
36 the total **【tax】** county tax due and one-quarter of the other total
37 county taxes finally levied against the municipality for the
38 preceding year, and the amount to be payable for the third and
39 fourth installments shall be the county tax due, and for the other
40 county taxes the full tax as levied, for the current year, less the
41 amount charged as the first and second installments. The total
42 amount thus found to be payable as the last two installments shall
43 be divided equally for and as each installment. The governing body
44 of each municipality shall cause to be paid to the county treasurer
45 on December fifteenth of each year all of the taxes required to be
46 assessed and raised by taxation in such taxing district for state
47 school and other state purposes.

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

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

2 54:4-75. For the purpose of this section:

3 "School tax due" or "tax due" means the amount so assessed less
4 the school district's proportionate share of the property taxes no
5 longer owed by the municipality pursuant to the blue acres property
6 tax exemption established by subsection b. of section 1 of
7 P.L. , c. (C.) (pending before the Legislature as this bill)
8 and less any applicable credit established by subsection e. of section
9 1 of P.L. , c. (C.) (pending before the Legislature as this
10 bill).

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

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

38
39 5. R.S.54:4-76 is amended to read as follows:

40 54:4-76. The governing body of the municipality or the county
41 shall cause the county tax due, as calculated pursuant to
42 R.S.54:4-74, and other county taxes levied, **[local]** school tax due,
43 as calculated pursuant to R.S.54:4-75, taxes due to other taxing
44 districts, and State taxes to be paid as and when due for payment. If
45 there shall not be sufficient funds in the treasury available for such
46 payments, the governing body shall immediately borrow sufficient
47 money and pay such taxes due. The board of chosen freeholders of
48 each county may by resolution fix the rate of discount to be allowed

1 for the payment to the county treasurer of county taxes previous to
2 the date on which they will become due for payment. The rate so
3 fixed shall not exceed six per centum per annum, and shall be
4 allowed only in case of payment on or before the thirtieth day
5 previous to the date on which said taxes will become due for
6 payment to the county treasurer. On any part of the taxes payable
7 to the county treasurer and on any part of the taxes payable to the
8 State by the county treasurer, which shall remain unpaid after the
9 time within which they are required to be paid by this chapter, the
10 taxing district or county in arrears shall pay to the county or State,
11 as the case may be, interest at the rate of six per centum per annum
12 upon the delayed payment.
13 (cf: P.L.1940, c.21, s.1)

14
15 6. This act shall take effect immediately and shall be
16 retroactive to October 29, 2012.

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STATEMENT

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21 This bill would exempt real property acquired by municipalities
22 as part of a flood-prone property acquisition program from county,
23 school, and fire district taxes immediately upon acquisition.
24 Currently, if a municipality acquires such property prior to October
25 1, it must pay the county, school, and fire district taxes owed for the
26 remainder of that tax year, and if the property is acquired after
27 October 1, it must pay the county, school, and fire district taxes
28 owed for the remainder of that tax year and for all of the following
29 tax year. A municipality must make these payments out of its own
30 tax dollars because that property is no longer generating property
31 tax revenues on the tax rolls. Eliminating this municipal tax
32 responsibility would help make sure that municipalities, which
33 already face substantial budget constraints, do not feel forced to
34 forego grants for the acquisition of properties in flood-prone areas
35 out of concern for its own tax payment liabilities.

36 Under the bill the municipality is required to reimburse the
37 property owner, not later 15 days after the next regular meeting of
38 the governing body of the municipality following acquisition of the
39 parcel of real property by the municipality, for any taxes paid by the
40 property owner beyond the date of acquisition, for the current tax
41 year either in full, or for a period beyond the date of acquisition of
42 the property by the municipality.

43 The bill makes the exemption retroactive to October 29, 2012,
44 the date on which Superstorm Sandy made landfall in New Jersey,
45 so that post-Sandy blue acres municipal acquisitions qualify for the
46 immediate property tax exemption provided in the bill.

47 The bill also provides that a municipality may credit any
48 property taxes already paid to a county, school district, or fire

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- 1 district on qualified real property before the enactment of the bill,
- 2 but after its retroactive date, against the next installment of taxes
- 3 due to the county, school district, or fire district.