

Title 40.
Chapter
48K.(New)
Property Tax
Rewards
§§ 1,2,4,5 -
C.40:48K-1 to
40:48K-4

P.L. 2021, CHAPTER 99, *approved May 12, 2021*
Assembly, No. 4806 (*First Reprint*)

1 AN ACT permitting and validating municipal ¹programs
2 encouraging local shopping through municipal¹ property tax
3 ¹**[reward programs]** rewards¹, supplementing Title 40 of the
4 Revised Statutes, and amending R.S.54:4-65.
5

6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:
8

9 ¹**[1.** (New section) a. As used in this section:

10 “Annual rebate” means the annual reimbursement of all rewards
11 earned by a participating customer in a property tax reward program
12 between May 1 and April 30.

13 “Operator” means a private entity designated by a municipality
14 to operate a property tax reward program.

15 “Participating business” means a business, located within a
16 municipality that has established a property tax reward program,
17 which business has agreed to provide rewards to participating
18 customers based on purchases of goods or services by those
19 participating customers.

20 “Participating customer” means a municipal resident, a
21 municipal employee, a person who is employed in the municipality,
22 or a resident of another municipality, who has registered with the
23 operator of a property tax reward program to earn rewards under the
24 program through the purchase of goods or services from
25 participating businesses.

26 “Reward” means the percentage of a total purchase price earned
27 by a participating customer when that customer makes a purchase at
28 a participating business.

29 b. The governing body of a municipality, by resolution, may
30 authorize the creation, and the operation in the municipality, of a
31 property tax reward program to provide annual rebates to
32 participating customers who purchase goods or services from
33 participating businesses located in the municipality. 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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate floor amendments adopted February 19, 2021.

1 municipality shall designate a private entity to serve as operator of
2 the property tax reward program. The operator shall solicit
3 participation in the program from businesses located in the
4 municipality. Participation in the property tax reward program by
5 businesses located in the municipality shall be voluntary. Each
6 participating business shall determine, and shall inform the program
7 operator of, the amount of the reward to be provided to participating
8 customers.

9 c. The operator shall offer a reward card to municipal
10 residents, municipal employees, persons who are employed in the
11 municipality, and, upon request, to residents of other municipalities.
12 A property tax reward program created pursuant to this section shall
13 not charge a fee for participation in the program to any participating
14 customer. The recipient of a reward card may become a
15 participating customer by registering with the program operator to
16 participate in the program. A participating customer shall present a
17 reward card at a participating business when making a purchase of
18 goods or services in order to earn a reward for that purchase from
19 that participating business. The program operator shall, in writing,
20 notify participating customers of the businesses participating in the
21 program, and the percentage of the reward to be provided by each
22 participating business. The operator shall also maintain this
23 information on a website.

24 d. A participating business shall pay the amount of the rewards
25 earned by participating customers to the operator, plus a separate
26 administrative fee per transaction to the operator. The amount of
27 the annual rebate earned by a participating customer shall equal the
28 total amount of all rewards earned by that participating customer
29 between May 1st and April 30th of the following year.

30 e. No later than June 1st annually, the operator shall provide
31 the municipal tax collector with a list of program participants who
32 are property owners and the dollar amount of the annual rebate
33 earned by each property owner between May 1st and April 30th;
34 and shall also transfer to the municipal tax collector the total dollar
35 value of all annual rebates earned by those property owners between
36 May 1st and April 30th. The tax collector shall note on the property
37 tax bill of each participating customer the amount of the annual
38 rebate earned and paid to the tax collector, and shall subtract that
39 amount from the total amount of property taxes due and payable on
40 the property for the tax year.

41 No later than June 1st annually, the operator shall issue to each
42 participating customer who is not a property owner within the
43 municipality a rebate check for the amount of the annual rebate
44 earned by the participating customer between May 1st and April
45 30th.

46 f. All actions taken by the governing body of a municipality
47 prior to the effective date of P.L. , c. (C.) (pending before
48 the Legislature as this bill), to authorize the creation and operation

1 of a property tax reward program in the municipality, are hereby
2 ratified and affirmed as valid acts of the municipality. **1**¹

3
4 ¹1. (New section) The Legislature finds and declares:

5 a. Commercial real property is a critically important component
6 of a municipality's property tax base.

7 b. A flourishing downtown or commercial area provides not
8 only a stable property tax base for a municipality, and property tax
9 collections that do not increase the burden on homeowners, but also
10 a gathering place for municipal events and social interactions,
11 which foster a strong sense of community between residents.

12 c. In a State with chronically high property taxes, credits or
13 other rewards applied against property taxes and earned through
14 purchasing goods or services in the local area serve as an effective
15 incentive for shopping locally, and even participating customers
16 living outside the municipality may earn rewards, which then can be
17 used to pay property taxes in their own municipalities.

18 d. A thriving commercial district, particularly a walkable
19 downtown, is appealing to families when they are looking for a
20 municipality in which to establish their family home.

21 e. Especially in economically trying times, such as those
22 visited upon the State in relation to the COVID-19 pandemic, it is
23 critical to ensure local governments may adopt innovative stimulus
24 initiatives to encourage municipal residents and residents of nearby
25 communities, and employees of local businesses, to support local
26 businesses by shopping locally, so that those business owners are
27 able to earn enough income to support their families and keep their
28 businesses open and prospering.

29 f. Ensuring municipalities may approve a program encouraging
30 local shopping through property tax rewards, administered by an
31 outside vendor or company, with financial protections for
32 participants and municipalities, would benefit municipalities and
33 individual business owners.

34 g. To date, many municipalities have adopted such programs.
35 However, those existing programs may not offer specific financial
36 protections to the municipalities that have authorized them, or the
37 participants utilizing them.

38 h. Therefore, it is important and necessary to statutorily
39 authorize such programs and provide financial protections for
40 municipalities and program participants.¹

41
42 ¹2. (New section) a. As used in this section:

43 "Operator" means a private entity designated by a municipality
44 to operate a property tax reward program.

45 "Participating business" means a business which has agreed to
46 provide rewards to participating customers.

47 "Participating customer" means a person who has successfully
48 registered with the operator of a property tax reward program to

1 earn rewards under the program, using the process maintained by
2 the operator.

3 “Reward” means the percentage of a total purchase price earned
4 by a participating customer when that customer makes a purchase at
5 a participating business.

6 “Reward card” means any physical or virtual card distributed by
7 the operator or the municipality to a participating customer to
8 facilitate the earning of rewards under the program.

9 “Reward earning period” means a consecutive 12-month period
10 agreed to and stipulated by the governing body of the municipality
11 and the operator.

12 b. (1) The governing body of a municipality, by resolution,
13 may authorize a contract with a private entity to administer a
14 property tax reward program for property owners in the
15 municipality. The operator, or the municipality, or both, as
16 provided by the contract, shall solicit participation in the program
17 from businesses located in the municipality. Participation in the
18 property tax reward program by businesses located in the
19 municipality shall be voluntary. A business located outside the
20 municipality may be included in the program as a participating
21 business with the approval of the municipality. Each participating
22 business shall determine, and shall inform the program operator of,
23 the reward to be provided to participating customers.

24 (2) The authorization of a property tax reward program by the
25 governing body of a municipality shall not make the governing
26 body liable in any manner for any action taken by, or omission of
27 an action that should have been taken by, the operator authorized by
28 the governing body to administer the property tax reward program.
29 Any financial irregularity committed by the operator in the
30 administration of the program shall be the sole responsibility of the
31 operator.

32 c. A property tax reward program created pursuant to this
33 section shall allow participating customers to utilize the property
34 tax reward program at no cost to themselves. A property tax reward
35 program shall, at a minimum, provide to participating customers the
36 ability to register for a reward card online, view a record of the
37 customer’s past transactions that earned program rewards, and view
38 the total amount of rewards earned. For a transaction to be eligible
39 for a reward under the program, a participating customer shall use
40 or display a reward card when making a purchase of goods or
41 services from a participating business.

42 d. To participate in the property tax reward program, a business
43 owner shall commit to pay the operator a percentage of a gross sale
44 that qualifies as a transaction under the program, including any
45 taxes or other associated tips or fees as charged to a participating
46 customer, to serve as the reward, plus any separate administrative
47 fee due to the operator. The amount of the annual reward earned by
48 a participating customer and credited pursuant to subsection f. of

1 this section shall equal the total amount of all rewards earned by
2 that participating customer during the reward earning period.

3 e. With the authorization of the governing body of the
4 municipality, an operator may also enroll as a participating
5 customer in the property tax reward program a person who is not a
6 property owner in the municipality. The rewards earned by a
7 participating customer described in this subsection shall be paid by
8 the operator directly to that participating customer as soon as is
9 practicable after the end of the rewards period.

10 f. Not later than June 1st annually, or a date agreed to by the
11 governing body of the municipality and the operator, the operator
12 shall provide to the municipal tax collector a list of participating
13 customers who are property owners in the municipality, with the
14 total amount of rewards earned by each property owner during the
15 reward period, and shall transfer the corresponding amounts earned
16 by those participating customers to the tax collector, to be credited
17 against each participating customer's property tax bill. A
18 participating customer who is not a property owner in the
19 municipality shall receive rewards in a form agreed to by the
20 governing body of the municipality and the operator.

21 g. All actions properly taken by the governing body of a
22 municipality prior to the effective date of P.L. , c. (C.)
23 (pending before the Legislature as this bill), to authorize the
24 creation and operation of a property tax reward program in the
25 municipality, are hereby ratified and affirmed as valid acts of the
26 municipality.¹

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28 ¹[2.] 3.¹ R.S.54:4-65 is amended to read as follows:

29 54:4-65. a. The Director of the Division of Local Government
30 Services in the Department of Community Affairs shall approve the
31 form and content of property tax bills.

32 b. (1) Each tax bill shall have printed thereon a brief tabulation
33 showing the distribution of the amount raised by taxation in the
34 taxing district, in such form as to disclose the rate per \$100.00 of
35 assessed valuation or the number of cents in each dollar paid by the
36 taxpayer which is to be used for the payment of State school taxes,
37 other State taxes, county taxes, local school expenditures, free
38 public library taxes, and other local expenditures. The last named
39 item may be further subdivided so as to show the amount for each
40 of the several departments of the municipal government. In lieu of
41 printing such information on the tax bill, any municipality may
42 furnish the tabulation required hereunder and any other pertinent
43 information in a statement accompanying the mailing or delivery of
44 the tax bill.

45 (2) When a parcel receives a homestead property tax credit
46 pursuant to the provisions of P.L.2007, c.62 (C.18A:7F-37 et al.),
47 the amount of the credit shall be included with the tax calculation as
48 a reduction in the total tax calculation for the year. One-half of the

1 amount of the credit shall be deducted from taxes otherwise due for
2 the third installment and the remaining one-half shall be deducted
3 from taxes otherwise due for the fourth installment.

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

8 (4) In municipalities wherein a property tax reward program is
9 operational, there shall be included on or with the tax bill the
10 amount of the property tax reward as a credit against property taxes
11 due and payable by a property owner who participates in the
12 program. The property tax reward program shall be identified on
13 the tax bill as the source of the property tax credit.

14 c. The tax bill shall also include a statement about the
15 availability, on the Internet website of the Department of
16 Community Affairs, of the amounts of State aid and assistance
17 received by the municipality, school districts, special districts, free
18 public libraries, county governments that offset property taxes that
19 are otherwise due on each parcel, along with a statement about the
20 availability, on the Internet website of the Division of Taxation in
21 the Department of the Treasury, of a listing of, and eligibility
22 requirements for, the various State property tax relief programs.
23 The tax bill shall also include the links to the Internet websites of
24 the Department of Community Affairs and the Division of Taxation
25 containing this information. The director shall cause the amounts
26 of said State aid and assistance that shall serve as the basis for the
27 calculation for each parcel to be displayed on the Internet website
28 of the Department of Community Affairs. The director shall set
29 standards for the display of the statement on the tax bill.

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

32 e. If a property tax bill includes in its calculation a homestead
33 property tax credit, the bill shall, in addition to the calculation
34 showing taxes due, either display a notice concerning the credit on
35 the face of the property tax bill or with a separate notice, with the
36 content and wording as the director provides.

37 f. (1) At the sole discretion of the municipality, the tax bill
38 may also include a statement listing the number and type of shared
39 services entered into by the municipality, the dollar value of the
40 savings to the municipality from each of those shared services, and
41 a total amount of municipal savings resulting from those shared
42 services. The statement shall be in a format promulgated by the
43 Director of the Division of Local Government Services in the
44 Department of Community Affairs pursuant to paragraph (2) of this
45 subsection.

46 (2) On or before the first day of the third month next following
47 the enactment of P.L.2019, c.393, the Director of the Division of
48 Local Government Services in the Department of Community

1 Affairs shall promulgate the format for the shared services
2 statement permitted to be placed on the tax bill by a municipality
3 pursuant to paragraph (1) of this subsection.
4 (cf: P.L.2019, c.393, s.1)

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6 ¹4. (New section) The governing body of a municipality in
7 which a rewards program has been authorized pursuant to section 2
8 of P.L. , c. (C.) (pending before the Legislature as this
9 bill) shall report any irregularity, financial or otherwise, that it
10 believes has occurred in the operator’s administration of the
11 program, to the Director of the Division of Local Government
12 Services in the Department of Community Affairs, and to any other
13 department or agency of State, county, or local government, as the
14 governing body deems appropriate.¹

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16 ¹5. (New section) The Director of the Division of Local
17 Government Services in the Department of Community Affairs, in
18 consultation with the Director of the Division of Consumer Affairs
19 in the Department of Law and Public Safety, shall promulgate,
20 pursuant to the “Administrative Procedure Act,” P.L.1968, c.410
21 (C.52:14B-1 et seq.), rules and regulations as may be necessary to
22 effectuate the provisions of P.L. , c. (C.) (pending before
23 the Legislature as this bill). The Director shall consider whether
24 additional financial protections for participating customers and
25 municipalities from unlawful or harmful actions or omissions by
26 operators of property tax reward programs are necessary and
27 appropriate.¹

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29 ¹[3.] ¹6.¹ This act shall take effect immediately ¹[and shall serve
30 as a retroactive validation of all property tax reward programs
31 approved by municipalities prior to the effective date of this act]¹.

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34 _____
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36 Permits municipalities to authorize programs encouraging local
37 shopping through property tax rewards; validates certain related
38 municipal actions.