

SENATE, No. 2550

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED MAY 7, 2020

Sponsored by:

Senator DECLAN J. O'SCANLON, JR.

District 13 (Monmouth)

SYNOPSIS

Concerns payment of property taxes collected by municipalities to counties and school district.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning property tax revenue collected by
2 municipalities on behalf of counties and school districts, and
3 amending R.S.54:4-76.
4

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

8 1. R.S.54:4-76 is amended to read as follows:

9 54:4-76. a. The governing body of the municipality or the
10 county shall cause the county tax due, as calculated pursuant to
11 R.S.54:4-74, and other county taxes levied, school tax due, as
12 calculated pursuant to R.S.54:4-75, taxes due to other taxing
13 districts, and State taxes to be paid as and when due for payment. If
14 there shall not be sufficient funds in the treasury available for such
15 payments, the governing body shall immediately borrow sufficient
16 money and pay such taxes due. Notwithstanding this requirement,
17 whenever a public health emergency, pursuant to the "Emergency
18 Health Powers Act," P.L.2005, c.222 (C.26:13-1 et seq.), or a state
19 of emergency, pursuant to P.L.1942, c.251 (C.App.A.9-33 et seq.),
20 or both, has been declared by the Governor and is in effect, and the
21 Governor, by executive order, permits municipal governing bodies
22 to extend by resolution, the grace period for the payment of
23 property taxes due and owing by property taxpayers beyond the
24 grace period permitted in R.S.54:4-67, the governing body of a
25 municipality that has, by resolution, adopted the extended grace
26 period permitted in the executive order shall have an additional
27 period of time to pay over to the county and to the school district
28 property taxes collected on their behalf by the municipality. That
29 additional period shall be of the same duration as the grace period
30 extension permitted in the executive order and adopted by the
31 municipality by resolution, and the deadline for the municipality to
32 pay over to the county the property taxes due to the county shall be
33 calculated from the date that property taxes paid to the county are
34 required to be paid pursuant to the provisions of R.S.54:4-74.

35 b. The board of chosen freeholders of each county may by
36 resolution fix the rate of discount to be allowed for the payment to
37 the county treasurer of county taxes previous to the date on which
38 they will become due for payment. The rate so fixed shall not
39 exceed six [per centum] percent per [annum] year, and shall be
40 allowed only in case of payment on or before the thirtieth day
41 previous to the date on which said taxes will become due for
42 payment to the county treasurer. On any part of the taxes payable
43 to the county treasurer and on any part of the taxes payable to the
44 State by the county treasurer, which shall remain unpaid after the
45 time within which they are required to be paid by this chapter, 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 taxing district or county in arrears shall pay to the county or State,
2 as the case may be, interest at the rate of six **【per centum】** percent
3 per **【annum】** year upon the delayed payment.

4 Notwithstanding the provisions of this subsection, during the
5 grace period permitted by the executive order and adopted by
6 resolution of the governing body, and the extended time period for
7 municipalities to pay the property taxes collected on the county's
8 behalf to the county established in subsection a. of this section, no
9 interest shall be due and owing by the municipality to the county.
10 However, if by the end of that extended time period for
11 municipalities to pay the property taxes to the county, the governing
12 body has not made that payment, the governing body shall be liable
13 for, and shall pay to the county, interest calculated from the date
14 that property taxes are required to be remitted to the county
15 pursuant to R.S.54:4-74, to the date the property taxes are actually
16 paid to the county.

17 (cf: P.L.2013, c.261, s.5)

18
19 2. This act shall take effect immediately and shall be
20 retroactive to April 28, 2020.

21 22 23 STATEMENT

24
25 This bill would amend R.S.54:4-76, which requires property
26 taxes collected by a municipality on behalf of a county and school
27 district to be paid as, and when, due for payment, to extend the date
28 due for payment whenever a public health emergency pursuant to
29 the "Emergency Health Powers Act," P.L.2005, c.222 (C.26:13-1 et
30 seq.), or a state of emergency pursuant to P.L.1942, c.251
31 (C.App.A9-33 et seq.), or both, has been declared by the Governor
32 and is in effect, and the Governor has issued an executive order
33 permitting municipal governing bodies to extend by resolution, the
34 grace period for the payment of property taxes due and owing by
35 property taxpayers beyond the grace period currently permitted in
36 law.

37 Under the provisions of the bill, the governing body of a
38 municipality that has, by resolution, adopted the extended grace
39 period permitted in such an executive order would have an
40 additional period of time to pay over to the county and to the school
41 district property taxes collected on their behalf by the municipality.
42 That additional period would be of the same duration as the grace
43 period extension permitted in the executive order.

44 The bill would also amend that statute to revise the current
45 requirement that municipalities that do not pay to a county property
46 taxes collected by the municipality on its behalf as, and when, due
47 for payment must pay interest to the county on the overdue property
48 taxes in the amount of six percent per year. The bill would require

1 that during the grace period permitted by the executive order and
2 adopted by resolution of the municipal governing body, and the
3 extended time period for municipalities to pay the property taxes
4 collected on the county's behalf to the county established in the bill,
5 no interest would be due and owing by the municipality to the
6 county. The bill provides that, if by the end of that extended time
7 period, the governing body has not remitted to the county the
8 property taxes collected on the county's behalf, the governing body
9 would be liable for, and would have to pay to the county, interest
10 calculated from the date that property taxes are required by statute
11 to be remitted to the county, to the date the property taxes are
12 actually paid to the county.