

[First Reprint]

**SENATE, No. 3347**

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**STATE OF NEW JERSEY**  
**218th LEGISLATURE**

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INTRODUCED JANUARY 17, 2019

**Sponsored by:**

**Senator JOSEPH P. CRYAN**

**District 20 (Union)**

**Senator STEPHEN M. SWEENEY**

**District 3 (Cumberland, Gloucester and Salem)**

**Co-Sponsored by:**

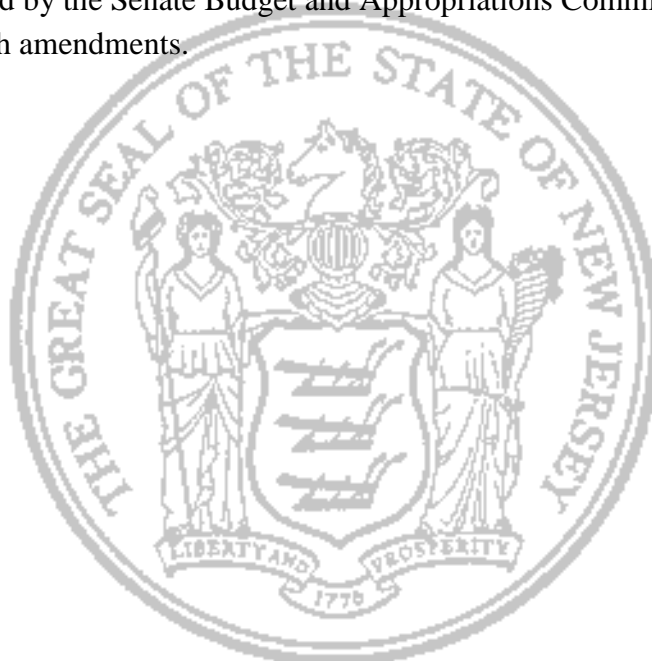
**Senators Scutari, O'Scanlon, Greenstein, A.R.Bucco and Lagana**

**SYNOPSIS**

Concerns property taxes due and owing on real property owned by certain federal employees or contractors under certain circumstances.

**CURRENT VERSION OF TEXT**

As reported by the Senate Budget and Appropriations Committee on January 28, 2019, with amendments.



**(Sponsorship Updated As Of: 2/1/2019)**

1 AN ACT concerning property taxes due and owing on real property  
2 in certain circumstances and amending R.S.54:4-67.

3

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

6

7 1. R.S.54:4-67 is amended to read as follows:

8 54:4-67. a. (1) The governing body of each municipality may  
9 by resolution fix the rate of discount to be allowed for the payment  
10 of taxes or assessments previous to the date on which they would  
11 become delinquent. The rate so fixed shall not exceed 6% per  
12 annum, shall be allowed only in case of payment made on or before  
13 the thirtieth day previous to the date on which the taxes or  
14 assessments would become delinquent, after subtracting the amount  
15 of applicable property tax credit as defined in section 1 of P.L.2018,  
16 c.11 (C.54:4-66.6). No such discount shall apply to the purchaser  
17 of a total property tax levy pursuant to section 16 of P.L.1997, c.99  
18 (C.54:5-113.5). The governing body may also fix the rate of  
19 interest to be charged for the nonpayment of taxes, assessments, or  
20 other municipal liens or charges, unless otherwise provided by law,  
21 on or before the date when they would become delinquent, and may  
22 provide that no interest shall be charged if payment of any  
23 installment is made within the tenth calendar day following the date  
24 upon which the same became payable. The rate so fixed shall not  
25 exceed 8% per annum on the first \$1,500.00 of the delinquency and  
26 18% per annum on any amount in excess of \$1,500.00, to be  
27 calculated from the date the tax was payable until the date that  
28 actual payment to the tax collector is made.

29 (2) Notwithstanding the provisions of paragraph (1) of this  
30 subsection regarding delinquent payments, in the case of a  
31 municipality that has experienced a flood, hurricane, superstorm,  
32 tornado, or other natural disaster, interest shall not be charged by  
33 the municipality to a delinquent taxpayer if:

34 (a) a state of emergency has been declared as a result thereof by  
35 the Governor less than 30 days prior to the date upon which a  
36 property tax installment payment is payable pursuant to R.S.54:4-66  
37 or section 2 of P.L.1994, c.72 (C.54:4-66.1), as appropriate, and

38 (b) the governing body of the municipality adopts a resolution  
39 providing that interest shall not be charged to a delinquent taxpayer  
40 if payment of the property tax installment, plus any available  
41 property tax credit as defined in section 1 of P.L.2018, c.11  
42 (C.54:4-66.6), is made on or before the first day of the next  
43 calendar month from the date upon which it became payable.

44 (3) The municipal clerk shall notify the Director of the Division  
45 of Local Government Services in the Department of Community

**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:**

**<sup>1</sup>Senate SBA committee amendments adopted January 28, 2019.**

1 Affairs of its adoption of the resolution not later than the third  
2 business day next following the municipal governing body's  
3 adoption of the resolution. If the municipality is under State  
4 supervision pursuant to the provisions of Article 4 of the "Local  
5 Government Supervision Act (1947)," P.L.1947, c.151 (C.52:27BB-  
6 54 et seq.), is subject to the provisions of the "Municipal  
7 Rehabilitation and Economic Recovery Act," P.L.2002, c.43  
8 (C.52:27BBB-1 et al.), or is otherwise subject to a memorandum of  
9 understanding or similar agreement with the division as a condition  
10 of receiving supplemental State aid, the resolution shall not be  
11 effective unless it is approved by the director.

12 (4) Notwithstanding the provisions of paragraph (1) of this  
13 subsection regarding delinquent payments, with respect to a  
14 'delinquent' property taxpayer who is an employee of a federal  
15 government agency, who is 'furloughed, or who is working but is'  
16 not being paid due to a full or partial shutdown of operations of the  
17 federal agency by which the property taxpayer is employed due to a  
18 federal budget impasse between the President and the Congress of  
19 the United States, or who is a contractor whose pay is received from  
20 a federal agency, but is delayed or diminished as a result of such an  
21 impasse, and 'who becomes a delinquent taxpayer' the contractor  
22 is receiving unemployment benefits', interest shall not be charged  
23 to the delinquent taxpayer by the municipality in which the  
24 delinquent taxpayer resides if:

25 (a) the federal shutdown occurs 'less than 45 days' prior to the  
26 date upon which a property tax installment payment is payable  
27 pursuant to R.S.54:4-66 or section 2 of P.L.1994, c.72 (C.54:4-  
28 66.1), as appropriate, and remains in effect on the date that the  
29 property tax installment payment is due and payable; and

30 (b) the governing body of the municipality in which the  
31 delinquent taxpayer resides adopts a resolution providing that  
32 interest shall not be charged to such a delinquent taxpayer if  
33 payment of the property tax installment, plus any available property  
34 tax credit as defined in section 1 of P.L.2018, c.11 (C.54:4-66.6), is  
35 made on or before the date upon which the next property tax  
36 installment payment is payable.

37 The municipal clerk shall notify the Director of the Division of  
38 Local Government Services in the Department of Community  
39 Affairs of the municipality's adoption of a resolution effectuating  
40 the provisions of subparagraph (b) of paragraph (4) of this  
41 subsection not later than the third business day next following the  
42 adoption of the resolution. If the municipality is under State  
43 supervision pursuant to the provisions of Article 4 of the "Local  
44 Government Supervision Act (1947)," P.L.1947, c.151 (C.52:27BB-  
45 54 et seq.), is subject to the provisions of the "Municipal  
46 Rehabilitation and Economic Recovery Act," P.L.2002, c.43  
47 (C.52:27BBB-1 et al.), or is otherwise subject to a memorandum of

1 understanding or similar agreement with the division as a condition  
2 of receiving supplemental State aid, the resolution shall not be  
3 effective unless it is approved by the director.

4 b. In any year when the governing body changes the rate of  
5 interest to be charged for delinquent taxes, assessments or other  
6 municipal charges, or to be charged for the end of the year penalty,  
7 the governing body, after adoption of a resolution changing the rate  
8 of interest, shall provide a notice to all taxpayers, prior to the date  
9 taxes are next due or with the tax bill, stating the new rate or rates  
10 to be charged and the date that the new rate or rates take effect.  
11 The notice may be separate from the tax bill. No change in the rate  
12 of interest or the end of year penalty shall take effect until the  
13 required notice has been provided in accordance with this  
14 subsection.

15 c. In municipalities that have sold their property tax levy  
16 pursuant to section 16 of P.L.1997, c.99 (C.54:5-113.5), the rate of  
17 interest to be charged for the nonpayment of taxes, assessments or  
18 other municipal liens or charges shall be the same interest or  
19 delinquency rate or rates otherwise charged by the municipality, to  
20 be calculated from the date the tax was payable until the date of  
21 actual payment to the tax collector. The purchaser of the total  
22 property tax levy shall be paid only those amounts attributable to  
23 properties included in the total property tax levy purchase and  
24 actually collected by the tax collector and which amounts shall not  
25 include any delinquent interest collected by the municipal tax  
26 collector prior to the time that the total property tax levy purchaser  
27 makes the levy payment to the municipality.

28 d. Whenever the time period for a property tax installment  
29 payment has been extended pursuant to the provisions of subsection  
30 a. of this section, the Director of the Division of Local Government  
31 Services in the Department of Community Affairs may, by  
32 temporary order, extend the dates for payment of taxes by a  
33 municipality due to a county pursuant to R.S.54:4-74, any school  
34 district pursuant to R.S.54:4-75, and any other taxing district as  
35 provided by law.

36 "Delinquency" means the sum of all taxes and municipal charges  
37 due on a specific real property, less the amount of applicable  
38 property tax credit as defined in section 1 of P.L.2018, c.11  
39 (C.54:4-66.6), covering any number of quarters or years. The  
40 property shall remain delinquent, as defined herein, until such time  
41 as all unpaid taxes, including subsequent taxes and liens, together  
42 with interest thereon shall have been fully paid and satisfied and all  
43 applicable property tax credit, as defined in section 1 of P.L.2018,  
44 c.11 (C.54:4-66.6), has been credited. The delinquency shall  
45 remain notwithstanding the issuance of a certificate of sale pursuant  
46 to R.S.54:5-32 and R.S.54:5-46, the payment of delinquent tax by  
47 the purchaser of the total property tax levy pursuant to section 16 of  
48 P.L.1997, c.99 (C.54:5-113.5) and for the purposes of satisfying the

1 requirements for filing any tax appeal with the county board of  
2 taxation or the State tax court. The governing body may also fix a  
3 penalty to be charged to a taxpayer with a delinquency in excess of  
4 \$10,000 who fails to pay that delinquency as billed, less the amount  
5 of applicable property tax credit as defined in section 1 of P.L.2018,  
6 c.11 (C.54:4-66.6), prior to the end of the fiscal year. If any fiscal  
7 year delinquency in excess of \$10,000 is paid by the holder of an  
8 outstanding tax sale certificate or a total property tax levy  
9 purchaser, the holder or purchaser, as appropriate, shall be entitled  
10 to receive the amount of the penalty as part of the amount required  
11 to redeem such certificate of sale providing the payment is made by  
12 the tax lien holder or tax levy purchaser prior to the end of the fiscal  
13 year. If the holder of the outstanding tax sale certificate or the levy  
14 purchaser, as appropriate, does not make the payment in full prior  
15 to the end of the fiscal year, then the holder or purchaser shall be  
16 entitled to a pro rata share of the delinquency penalty upon  
17 redemption, and the balance of the penalty shall inure to the benefit  
18 of the municipality. The penalty so fixed shall not exceed 6% of  
19 the amount of the delinquency with respect to each most recent  
20 fiscal year only.

21 (cf: P.L.2018, c.11, s.14)

22

23 2. This act shall take effect immediately <sup>1</sup>, shall be retroactive  
24 to December 22, 2018, and shall apply to property tax payments due  
25 and payable on February 1, 2019, and property tax payments due  
26 and payable thereafter<sup>1</sup>.