

ASSEMBLY, No. 4806

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED OCTOBER 8, 2020

Sponsored by:

Assemblyman RONALD S. DANCER

District 12 (Burlington, Middlesex, Monmouth and Ocean)

Assemblyman NICHOLAS CHIARAVALLOTI

District 31 (Hudson)

Co-Sponsored by:

Assemblymen Rooney, Wirths and Space

SYNOPSIS

Permits municipalities to authorize property tax reward programs; validates actions of municipalities that have created them.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 10/29/2020)

1 AN ACT permitting and validating municipal property tax reward
2 programs, supplementing Title 40 of the Revised Statutes, and
3 amending R.S.54:4-65.
4

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

8 1. (New section) a. As used in this section:

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

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

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

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

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

28 b. The governing body of a municipality, by resolution, may
29 authorize the creation, and the operation in the municipality, of a
30 property tax reward program to provide annual rebates to
31 participating customers who purchase goods or services from
32 participating businesses located in the municipality. The
33 municipality shall designate a private entity to serve as operator of
34 the property tax reward program. The operator shall solicit
35 participation in the program from businesses located in the
36 municipality. Participation in the property tax reward program by
37 businesses located in the municipality shall be voluntary. Each
38 participating business shall determine, and shall inform the program
39 operator of, the amount of the reward to be provided to participating
40 customers.

41 c. The operator shall offer a reward card to municipal
42 residents, municipal employees, persons who are employed in the
43 municipality, and, upon request, to residents of other municipalities.
44 A property tax reward program created pursuant to this section shall
45 not charge a fee for participation in the program to any participating

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 customer. The recipient of a reward card may become a
2 participating customer by registering with the program operator to
3 participate in the program. A participating customer shall present a
4 reward card at a participating business when making a purchase of
5 goods or services in order to earn a reward for that purchase from
6 that participating business. The program operator shall, in writing,
7 notify participating customers of the businesses participating in the
8 program, and the percentage of the reward to be provided by each
9 participating business. The operator shall also maintain this
10 information on a website.

11 d. A participating business shall pay the amount of the rewards
12 earned by participating customers to the operator, plus a separate
13 administrative fee per transaction to the operator. The amount of
14 the annual rebate earned by a participating customer shall equal the
15 total amount of all rewards earned by that participating customer
16 between May 1st and April 30th of the following year.

17 e. No later than June 1st annually, the operator shall provide
18 the municipal tax collector with a list of program participants who
19 are property owners and the dollar amount of the annual rebate
20 earned by each property owner between May 1st and April 30th;
21 and shall also transfer to the municipal tax collector the total dollar
22 value of all annual rebates earned by those property owners between
23 May 1st and April 30th. The tax collector shall note on the property
24 tax bill of each participating customer the amount of the annual
25 rebate earned and paid to the tax collector, and shall subtract that
26 amount from the total amount of property taxes due and payable on
27 the property for the tax year.

28 No later than June 1st annually, the operator shall issue to each
29 participating customer who is not a property owner within the
30 municipality a rebate check for the amount of the annual rebate
31 earned by the participating customer between May 1st and April
32 30th.

33 f. All actions taken by the governing body of a municipality
34 prior to the effective date of P.L. , c. (C.) (pending before
35 the Legislature as this bill), to authorize the creation and operation
36 of a property tax reward program in the municipality, are hereby
37 ratified and affirmed as valid acts of the municipality.

38

39 2. R.S.54:4-65 is amended to read as follows:

40 54:4-65. a. The Director of the Division of Local Government
41 Services in the Department of Community Affairs shall approve the
42 form and content of property tax bills.

43 b. (1) Each tax bill shall have printed thereon a brief tabulation
44 showing the distribution of the amount raised by taxation in the
45 taxing district, in such form as to disclose the rate per \$100.00 of
46 assessed valuation or the number of cents in each dollar paid by the
47 taxpayer which is to be used for the payment of State school taxes,
48 other State taxes, county taxes, local school expenditures, free

1 public library taxes, and other local expenditures. The last named
2 item may be further subdivided so as to show the amount for each
3 of the several departments of the municipal government. In lieu of
4 printing such information on the tax bill, any municipality may
5 furnish the tabulation required hereunder and any other pertinent
6 information in a statement accompanying the mailing or delivery of
7 the tax bill.

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

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

19 (4) In municipalities wherein a property tax reward program is
20 operational, there shall be included on or with the tax bill the
21 amount of the property tax reward as a credit against property taxes
22 due and payable by a property owner who participates in the
23 program. The property tax reward program shall be identified on
24 the tax bill as the source of the property tax credit.

25 c. The tax bill shall also include a statement about the
26 availability, on the Internet website of the Department of
27 Community Affairs, of the amounts of State aid and assistance
28 received by the municipality, school districts, special districts, free
29 public libraries, county governments that offset property taxes that
30 are otherwise due on each parcel, along with a statement about the
31 availability, on the Internet website of the Division of Taxation in
32 the Department of the Treasury, of a listing of, and eligibility
33 requirements for, the various State property tax relief programs.
34 The tax bill shall also include the links to the Internet websites of
35 the Department of Community Affairs and the Division of Taxation
36 containing this information. The director shall cause the amounts
37 of said State aid and assistance that shall serve as the basis for the
38 calculation for each parcel to be displayed on the Internet website
39 of the Department of Community Affairs. The director shall set
40 standards for the display of the statement on the tax bill.

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

43 e. If a property tax bill includes in its calculation a homestead
44 property tax credit, the bill shall, in addition to the calculation
45 showing taxes due, either display a notice concerning the credit on
46 the face of the property tax bill or with a separate notice, with the
47 content and wording as the director provides.

1 f. (1) At the sole discretion of the municipality, the tax bill
2 may also include a statement listing the number and type of shared
3 services entered into by the municipality, the dollar value of the
4 savings to the municipality from each of those shared services, and
5 a total amount of municipal savings resulting from those shared
6 services. The statement shall be in a format promulgated by the
7 Director of the Division of Local Government Services in the
8 Department of Community Affairs pursuant to paragraph (2) of this
9 subsection.

10 (2) On or before the first day of the third month next following
11 the enactment of P.L.2019, c.393, the Director of the Division of
12 Local Government Services in the Department of Community
13 Affairs shall promulgate the format for the shared services
14 statement permitted to be placed on the tax bill by a municipality
15 pursuant to paragraph (1) of this subsection.

16 (cf: P.L.2019, c.393, s.1)

17
18 3. This act shall take effect immediately and shall serve as a
19 retroactive validation of all property tax reward programs approved
20 by municipalities prior to the effective date of this act.

21 22 23 STATEMENT 24

25 This bill would permit municipalities to authorize, by resolution,
26 the creation, and the operation in the municipality, of a property tax
27 reward program. The program would be structured as a local
28 merchant loyalty program and marketed as an economic
29 development tool to encourage people who live in and around the
30 municipality to shop at businesses located in the municipality.

31 A property tax reward program created under the bill would
32 provide cash rewards to municipal residents, municipal employees,
33 people who are employed in the municipality, and residents of other
34 municipalities who choose to participate in the program
35 ("participating customers" in the bill), when they purchase goods or
36 services from businesses located in the municipality that agree to
37 provide cash rewards under the property tax reward program. The
38 program would be operated by a private entity designated by the
39 municipality.

40 The property tax reward program would operate through the use
41 of a reward card. After receiving a reward card, an individual
42 would register his or her participation with the program operator,
43 and then "go shopping," using their reward card when making
44 purchases at participating businesses in order to earn rewards,
45 which are calculated as a percentage of the total sale by a
46 participating customer at a participating business. The operator of
47 the program would advise program participants of the identities of
48 the businesses participating in the program, and the amount of the

1 reward to be provided on each business transaction between the
2 business and the program participant. A property tax reward
3 program created pursuant to the bill could not charge a fee for
4 participation in the program to any cardholder. Essentially, the
5 program costs are paid by participating merchants.

6 Participation in the property tax reward program by businesses
7 located in the municipality would be voluntary. Each business
8 offering rewards under a program would determine, and would
9 inform the program operator of, the amount of the rebate to be
10 provided by the business after each business transaction to
11 participants in the program. A participating business would pay the
12 amount of the rewards earned by customers participating in the
13 program to the program operator, plus a separate administrative fee
14 for the services of the operator.

15 The amount of the annual rebate earned by a participating
16 customer would equal the total amount of all rewards earned by that
17 participating customer between May 1st and April 30th.

18 No later than June 1 annually, the operator would provide the
19 municipal tax collector with a list of program participants who are
20 property owners and the dollar amount of the annual rebate earned
21 by each property owner between May 1st and April 30th; and would
22 transfer to the municipal tax collector the total dollar value of all
23 annual rebates earned by those property owners between May 1st
24 and April 30th. The tax collector would note on the property tax
25 bill of each participating customer the amount of the annual rebate
26 earned, and would subtract that amount from the total amount of
27 property taxes due and payable on the property for the tax year.

28 No later than June 1st annually, the operator would issue to each
29 participating customer who is not a property owner within the
30 municipality a rebate check for the amount of the annual rebate
31 earned by the participating customer between May 1st and April
32 30th.

33 Essentially, the bill codifies current practice. Many
34 municipalities have created, or will soon create, property tax reward
35 programs during the next year, but only one municipality, Marlboro
36 Township in Monmouth County, has actually provided “rebates”
37 under its program, which began operation on September 12, 2012.
38 Between that date and April 30, 2013 (it should be noted that the
39 program was disrupted for three weeks due to Superstorm Sandy),
40 program participants in the “Shop Marlboro” program earned
41 property tax “rebates” that totaled \$20,000 on sales of \$360,000
42 from Marlboro businesses. In any municipal program, the amount
43 of each program participant’s annual reward will depend on how
44 many times goods or services are purchased from local businesses
45 and the reward percentage offered by those businesses.

46 The program authorized by this bill will allow property tax
47 payers to lower their out-of-pocket property tax payments by
48 supporting local businesses and receiving monetary rewards from

1 those businesses for that support, and non-property taxpayers (such
2 as renters or people who work in a municipality offering the
3 program but who live elsewhere) can use the program to earn a cash
4 rebate that will help them pay their property taxes in their own
5 municipalities. Local businesses will benefit from increased
6 business generated from program participants who shop in their
7 stores or at their businesses in order to earn reward dollars.