

ASSEMBLY COMMERCE AND ECONOMIC DEVELOPMENT  
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4806

**STATE OF NEW JERSEY**

DATED: OCTOBER 21, 2020

The Assembly Commerce and Economic Development Committee reports favorably Assembly Bill No. 4806.

This bill would authorize municipalities to establish and operate property tax reward programs. A municipal property tax reward program would be structured as a local merchant loyalty program and marketed as an economic development tool to encourage people who live in and around a municipality to shop at businesses located within the municipality.

A property tax reward program would provide monetary rewards to participating customers who purchase goods or services from participating businesses (businesses located in the municipality that agree to provide rewards under the program). The program would be operated by a private entity designated by the municipality. The program operator would advise participating customers of the businesses participating in the program, and of the reward each participating business has agreed to provide under the program.

Under the bill, a program operator would offer reward cards to municipal residents, municipal employees, persons employed in the municipality, and, upon request, residents of other municipalities. After receiving a reward card, a recipient may register with the program operator to participate in the program. A participating customer would present a reward card to a participating business when making a purchase at the business in order to earn rewards. Program rewards would be calculated as a percentage of the total sale by a participating customer at a participating business.

Each participating business would determine, and would inform the program operator of, the reward the business would offer participating customers. A participating business would pay the amount of the rewards earned by participating customers to the program operator, plus a separate administrative fee for the services of the operator.

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

No later than June 1, annually, the operator would provide the municipal tax collector with a list of program participants who are

property owners and the dollar amount of the annual rebate earned by each property owner between May 1st and April 30th; and would transfer to the municipal tax collector the total dollar value of all annual rebates earned by those property owners between May 1st and April 30th. The tax collector would note on the property tax bill of each participating customer the amount of the annual rebate earned, and would subtract that amount from the total amount of property taxes due and payable on the property for the tax year.

No later than June 1st annually, the operator would issue to each participating customer who is not a property owner within the municipality a rebate check for the total reward amounts earned by the participating customer between May 1st and April 30th.