

**SENATE, No. 3188**

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**STATE OF NEW JERSEY**

**219th LEGISLATURE**

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INTRODUCED NOVEMBER 16, 2020

**Sponsored by:**

**Senator NELLIE POU**

**District 35 (Bergen and Passaic)**

**Senator TROY SINGLETON**

**District 7 (Burlington)**

**Co-Sponsored by:**

**Senator Madden**

**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: 2/4/2021)**

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 residents,  
42 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 the  
18 municipal tax collector with a list of program participants who are  
19 property owners and the dollar amount of the annual rebate earned  
20 by each property owner between May 1st and April 30th; and shall  
21 also transfer to the municipal tax collector the total dollar value of  
22 all annual rebates earned by those property owners between May 1st  
23 and April 30th. The tax collector shall note on the property tax bill  
24 of each participating customer the amount of the annual rebate  
25 earned and paid to the tax collector, and shall subtract that amount  
26 from the total amount of property taxes due and payable on the  
27 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  
44 tabulation showing the distribution of the amount raised by taxation  
45 in the taxing district, in such form as to disclose the rate per  
46 \$100.00 of assessed valuation or the number of cents in each dollar  
47 paid by the taxpayer which is to be used for the payment of State  
48 school taxes, other State taxes, county taxes, local school

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

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

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

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

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

30 No later than June 1st annually, the operator would issue to each  
31 participating customer who is not a property owner within the  
32 municipality a rebate check for the amount of the annual rebate  
33 earned by the participating customer between May 1st and April  
34 30th.

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

1       The program authorized by this bill will allow property tax  
2       payers to lower their out-of-pocket property tax payments by  
3       supporting local businesses and receiving monetary rewards from  
4       those businesses for that support, and non-property taxpayers (such  
5       as renters or people who work in a municipality offering the  
6       program but who live elsewhere) can use the program to earn a cash  
7       rebate that will help them pay their property taxes in their own  
8       municipalities. Local businesses will benefit from increased  
9       business generated from program participants who shop in their  
10      stores or at their businesses in order to earn reward dollars.