C

Masser, Michelle

From: Lashway, Lisa
Sent: Monday, April 08, 2013 2:28 PM
To: Canning, Sean; Masser, Michelle
Subject: FW: Urging Support for Sharing the Burden of Property Assessment Appeal

Lisa Lashway
Mt. Olive Twp. Clerk
973-691-0900 Ext. 7291
FAX 973-691-2080
PO Box 450
Budd Lake, NJ 07828

From: NJLM to Municipal Officials [mailto:njlm-clerks@njslom.org]
Sent: Monday, April 08, 2013 2:28 PM
To: Lashway, Lisa
Subject: Urging Support for Sharing the Burden of Property Assessment Appeal

Mayors Advisory

April 8, 2013

Re: Urging Support for Sharing the Burden of Property Assessment Appeal Refunds Sample Resolution

Dear Mayor:

A huge concern for municipalities today is the imploding number of tax appeals and decline in property base values

Senator Anthony R. Bucco, Assemblyman Michael Patrick Carroll and Assemblyman Anthony M. Bucco have introduced legislation (Senate Bill S-1896/Assembly Bill A-1503), which would require school districts, county governments and fire districts to share in the burden of property assessment appeal refunds.

In 2010, municipalities saw a large spike in tax appeals that was attributed to the economic down-turn which lowered property values and placed increased stress on the income of homeowners all around our Garden State. This trend has continued.

As you are aware when County Tax Board appeals are granted the municipality must reimburse the property taxpayer 100% of the appealed tax levy, which includes the municipal, school, county and any special districts tax. The municipal tax collector makes the adjustment from the appeal as a credit on the 4th quarter tax bill resulting in the municipality's fund balance for the preceding year being diminished, if not completely depleted.

Successful tax appeals have an additional four-fold negative impact on municipal budgets. First, the municipality, as the collector of taxes for the School district, county and special districts, must fund the full cost of the legal defense of the assessment. Second, since State law guarantees to the county and the school district 100% of their levies, the municipality bears the full cost of any re-imbursements resulting from the appeal (as well as the full burden for any uncollected taxes). Third, the refunds and credits will negatively impact the tax collection rate, resulting in a State required increase in the appropriation for the Reserve for Uncollected Taxes (a non-exempt from cap budget expenditure). Fourth, the end result will be a further decline in the property tax base used to support Municipalities, County governments and School systems and necessarily an offsetting tax rate increase to raise the same amount of revenue.

In light of the revenue limitations that have been placed on all levels of local government by the Legislature (2% cap), such declining values will compound and add additional stress to local public officials, as they grapple with the issues confronting the tax paying public.

We urge you to adopt the sample resolution calling on the State Legislature and Governor to require school districts, county governments and fire districts share

in the burden of property assessment appeal refunds.

The links are:

PDF - http://www.njslom.org/resolutions/RESOLUTION-SUPPORTING-S-1896-A-1503-tax-appeal-burden-sharing-2.pdf

Doc - http://www.njslom.org/resolutions/RESOLUTION-SUPPORTING-S-1896-A-1503-tax-appeal-burden-sharing-2.doc

At this time S-1896 awaits action in the Senate Community and Urban Affairs Committee. A-1503 has been referred to the Assembly Housing and Local Government Committee.

If you have any questions or need additional information please do not hesitate to contact Lori Buckelew at lbuckelew@njslom.com or 609-695-3481 ext.112.

Very truly yours,

Janice S. Mironov
President, New Jersey State League of Municipalities
Mayor, East Windsor Township

*If you would like to be removed from receiving faxed advisories please contact Shirley Cade at scade@njslom.com or 609-695-3481 ext. 114 with the name of your municipality and fax number. Thank you.

Please be advised that the information you receive is not legal advice. You must consult your town attorney to make sure that any of the material you receive is in accordance with current state law and your particular facts and situation.

Please be advised that the New Jersey State League of Municipalities is subject to the New Jersey Open Public Records Act. As such, any email sent or received by the League may be subject to a records request.

New Jersey League of Municipalities
222 West State Street, Trenton, NJ 08608
609-695-3481
http://www.njslom.org

This message was sent to clerk@mtolivetwp.org from:

NJLM to Municipal Officials | 222 West State Street | Trenton, NJ 08608

Unsubscribe | Forward To a Friend