

Pending Legislation in NJ Will Impact Tax Offices

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by *Mary Testori*

New Jersey Tax Collectors are watching several bills that have been on the move this June, being reported favorably out of their respective legislative committees.

Most significant of these is [Assembly Bill 1401](#) (companion Senate Bill 533). On June 20, 2013 The Assembly Budget Committee reported favorably an Assembly Committee Substitute for A1401. The substituted is entitled the "Common Sense Shared Services Act." ([See Statement.](#)) The "Common Sense Shared Services Act"; concerns shared service agreements for certain local personnel under "Uniform Shared Services and Consolidation Act." This bill proposes to nullify tenure rights in favor of consolidation of services for a municipal clerk, a chief financial officer, an assessor, a tax collector, a municipal treasurer, or a municipal superintendent of public works. One favorable amendment requires that no shared services agreement be adopted until copies of the agreement are provided to all affected employees of the local units that are party to the agreement at least two weeks before adoption of the resolution, and a public hearing has been held on the agreement, so that all persons having an interest in the agreement shall have been given an opportunity to present comments or objections concerning the content of the agreement, or the effect of the agreement. During the public hearing, the local unit shall provide an overview of the terms of the agreement and an estimate of the cost savings anticipated to be achieved by the local units that are the parties to the agreement. This should lend itself to more informed decisions regarding shared services.

We are also watching [A3570](#). This bill proposes to establish a pilot program allowing certain municipalities greater control over sale of tax liens. Many municipalities, mostly in distressed urban areas are limited by the lack of options within the tax sale law, such as foreclosure on liens not redeemed, penalties on lien redemptions. This bill seeks to remedy those challenges. See [Committee Statement](#).

And finally, [A3576](#) proposes to modify interest rates and accrual of interest on certain unpaid water and sewer utility bills and delinquent municipal taxes, assessments, and other municipal liens and charges. At this writing, this bill was in its second reading in the Assembly. Recent Committee amendments redefine "prime rates" for purposes of setting and assessing interest on unpaid tax liabilities. See [Committee Statement](#) and [Fiscal Estimate.](#))