

CHAPTER 33

TAX COLLECTION ADMINISTRATION

Authority

N.J.S.A. 52:27BB-10, 52:27BB-32, 52:27D-18, 54:4-6.10, 54:4-122.9, 17:16F-15 and 40A:12.6.

Source and Effective Date

R.1995 d.490, effective September 5, 1995.
See: 27 N.J.R. 2132(a), 27 N.J.R. 3328(b).

Executive Order No. 66(1978) Expiration Date

Chapter 33, Tax Collection Administration, expires on September 5, 2000.

Chapter Historical Note

Chapter 33, Urbanaid Program, became effective prior to September 1, 1969. Chapter 33 was repealed by R.1990 d.16, effective January 2, 1990. See: 21 N.J.R. 3046(b), 22 N.J.R. 26(b). Chapter 33, Tax Collection Administration, was adopted as New Rules by R.1990 d.383, effective August 6, 1990. See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b). Subchapter 3, Tenant's Property Tax Rebate Program, was repealed and new rules adopted, effective July 1, 1991, by Emergency Rule R.1991 d.383. See: 23 N.J.R. 2183(a). The concurrent proposal was adopted by R.1991 d.484, effective August 30, 1991. See: 23 N.J.R. 183(a), 23 N.J.R. 3002(a). Subchapter 4, Mortgage Escrow Account Transactions, was adopted as new rules by R.1992 d.400, effective October 5, 1992. See: 24 N.J.R. 2664(a), 24 N.J.R. 3527(a). Subchapter 3 was amended by R.1992 d.469, effective November 16, 1992, to conform to the decision of the New Jersey Supreme Court in *Cold Indian Springs Corp. v. Township of Ocean*, 81 N.J. 502 (1980), and issues arising from the Emergency Rule adopted July 1, 1991. See: 24 N.J.R. 3205(a), 24 N.J.R. 4255(a). Pursuant to Executive Order No. 66(1978), Chapter 33, Tax Collection Administration, expired on August 6, 1995. Chapter 33, Tax Collection Administration, was adopted as new rules by R.1995 d.490, effective September 5, 1995. See: Source and Effective Date. See, also, section annotations.

CHAPTER TABLE OF CONTENTS

SUBCHAPTER 1. TAX COLLECTION PROCEDURES

- 5:33-1.1 (Reserved)
- 5:33-1.2 Bank collection of tax payments
- 5:33-1.3 Form of tax collection record
- 5:33-1.4 Municipal Lien Forms
- 5:33-1.5 Third party transaction reconciliation accounts
- 5:33-1.6 Definitions
- 5:33-1.7 Payment of property tax bills
- 5:33-1.8 Use of replacement bills
- 5:33-1.9 Annual publication of municipal practices

SUBCHAPTER 2. TAX COLLECTOR CERTIFICATION

- 5:33-2.1 Course of instruction—Certified Tax Collector
- 5:33-2.2 Examination reviews: tax collector certification

SUBCHAPTER 3. TENANTS' PROPERTY TAX REBATE PROGRAM

- 5:33-3.1 Authority
- 5:33-3.2 Definitions
- 5:33-3.3 Tax collector responsibilities
- 5:33-3.4 Notice of Tax Reduction
- 5:33-3.5 Owner responsibilities
- 5:33-3.6 Rebate calculation and payments

- 5:33-3.7 Penalty provisions
- 5:33-3.8 Special circumstances—property tax reductions
- 5:33-3.9 Rebates for tenants who receive rent subsidies
- 5:33-3.10 Enforcement by local agency
- 5:33-3.11 Consistency with municipal ordinances

APPENDIX A

SUBCHAPTER 4. MORTGAGE ESCROW ACCOUNT TRANSACTIONS

- 5:33-4.1 Authority
- 5:33-4.2 Definitions
- 5:33-4.3 Forms for mortgage escrow account transactions
- 5:33-4.4 Use of initial tax authorization notice
- 5:33-4.5 Escrow account transactions
- 5:33-4.6 Notice regarding the sale of municipal liens
- 5:33-4.7 Request for duplicate tax bills
- 5:33-4.8 Duplicate tax bill fees; appeals for reimbursement of fee charged; freezing of duplicate fee charges
- 5:33-4.9 Requests to deliver a mortgagor's tax bill to a property tax processing organization
- 5:33-4.10 Effect of RESPA

SUBCHAPTER 1. TAX COLLECTION PROCEDURES

5:33-1.1 (Reserved)

Repealed by R.1995 d.490, effective September 5, 1995.
See: 27 N.J.R. 2132(a), 27 N.J.R. 3328(b).
Section was "Tax bill receipting machine".

5:33-1.2 Bank collection of tax payments

(a) Any municipality adopting a resolution to contract for services in connection with N.J.S.A. 54:4-122.9 shall, prior to adoption, obtain written advice from the municipal auditor who shall review the proposed contract for compliance with law, any relevant rules, and proper internal control procedures. Within three days of adoption of such a resolution, the Municipal Clerk shall submit a certified copy of the resolution and report of the auditor to the Director of the Division of Local Government Services. Unless action is otherwise taken by the Director within 30 days of receipt, the resolution shall be deemed approved. Such contract shall include detailed procedures to be used in implementing procedures to receive and deposit funds, forwarding of back-up materials to the collector, holding of funds, audit trails and all other information required for evaluation of the proposed system.

(b) The bank, savings bank or trust company designated by any resolution to receive current tax payments; current water and sewer rents, and other public moneys must be designated as an official depository in accordance with N.J.S.A. 40A:5-14.

(c) Any municipality which has contracted with a bank, savings bank or trust company under N.J.S.A. 54:4-122.9 shall notify all taxpayers at least once annually that such a

service has been contracted. Notification must be made by mail to all taxpayers at least 30 days prior to the next payment due, payable and subject to possible receipt by such bank, savings bank or trust company agent, following the designation of such agent.

Amended by R.1992 d.426, effective October 19, 1992.
See: 24 N.J.R. 2766(a), 24 N.J.R. 3723(c).

Definitions at (d) for "current" and "delinquent" deleted.
Amended by R.1995 d.490, effective September 5, 1995.
See: 27 N.J.R. 2132(a), 27 N.J.R. 3328(b).

5:33-1.3 Form of tax collection record

Tax collectors shall use a standard form for posting preliminary and final taxes. The content of the form may be reproduced through the use of electronic data processing systems. Sample copies can be obtained from:

Division of Local Government Services
Department of Community Affairs
CN 803
Trenton, N.J. 08625

Amended by R.1992 d.426, effective October 19, 1992.
See: 24 N.J.R. 2766(a), 24 N.J.R. 3723(c).

Stylistic changes.
Amended by R.1995 d.490, effective September 5, 1995.
See: 27 N.J.R. 2132(a), 27 N.J.R. 3328(b).

5:33-1.4 Municipal Lien Forms

(a) Use of the following forms for the stated purposes is required by municipal taxing districts in the State of New Jersey.

1. Original and Duplicate Certificates of Sale for Unpaid Municipal Liens; and
2. Official Search and Certificates of Search for Municipal Liens.

(b) Samples of these forms are available through the Division of Local Government Services.

5:33-1.5 Third party transaction reconciliation accounts

When check-based or electronic payments for multiple parcels made by property tax processing organizations and servicing organizations defined pursuant in N.J.S.A. 17:16F-15 cannot be correctly reconciled, the tax collector shall create a subsidiary ledger entry to record unreconciled items. The tax collector shall work to reconcile the discrepancy by the end of the fiscal year. All transactions necessary to reconcile entries shall be noted in the subsidiary ledger, and, when necessary, approved by the governing body.

New Rule, R.1997 d.147, effective March 17, 1997.
See: 29 N.J.R. 4(a), 29 N.J.R. 872(a).

Former section recodified to N.J.A.C. 5:33-1.6.

5:33-1.6 Definitions

The words and terms used in this subchapter shall have the following meanings, unless the context clearly indicates otherwise.

"Current" payment means any payment which is not yet due and payable, or any payment which became due and payable within the tenth calendar day prior to its receipt, provided that the municipality has adopted a resolution allowing "that no interest shall be charged if payment of any installment is made within the tenth calendar day following the date upon which the same became payable" in accordance with provisions of N.J.S.A. 54:4-67.

"Delinquent" payment means any payment which is not current (as defined above), plus any payments for accounts on which a Tax Title Lien exists.

"Property identification information" means the information necessary to identify a specific parcel of land and includes the following elements: name of municipality, county, block number, lot number, qualification code, property address or location, name and mailing address of the property owner.

"Replacement bill" shall mean a property tax bill made or generated by a mortgagee, servicing organization, or tax processing organization to serve as a replacement to an original tax bill and used in accordance with this subchapter.

"Tax bill" shall mean the original form issued by the tax collector with the appropriate itemization and payment information for local property taxes as required by N.J.S.A. 54:4-64, 65 and 66. It shall include the information section itemizing the taxes due, and payment stubs containing property identification information and amount due for each of the quarters.

"Tax collector" shall mean the properly designated tax collector of the taxing district in which the mortgagor's property is located.

New Rule, R.1992 d.426, effective October 19, 1992.

See: 24 N.J.R. 2766(a), 24 N.J.R. 3723(c).

Recodified from 5:33-1.5 by R.1997 d.147, effective March 17, 1997.

See: 29 N.J.R. 4(a), 29 N.J.R. 872(a).

Former section recodified to N.J.A.C. 5:33-1.7.

5:33-1.7 Payment of property tax bills

(a) Payment of property tax bills shall be made by presenting the stub from either an original or duplicate tax bill, or through the use of a replacement bill as described in N.J.A.C. 5:33-1.8. The original or duplicate tax bill itself does not need to be presented for payment when a payment stub showing the required information is used.

(b) When a receipt for payment sent through the mail is requested, the payor must provide the bill, stub, and a self-addressed stamped envelope for the return of the receipt.

(c) Notwithstanding any provision herein to the contrary, at the option of the local tax collector, computer printouts or other electronically generated data formats containing property identification and payment amounts will be accepted for processing in lieu of individual tax bills. Notice to the public of tax collector options shall be provided pursuant to N.J.A.C. 5:33-1.9.

New Rule, R.1992 d.426, effective October 19, 1992.

See: 24 N.J.R. 2766(a), 24 N.J.R. 3723(c).

Public Notice: Tax collection.

See: 25 N.J.R. 2760(a).

Recodified from 5:33-1.6 and amended by R.1997 d.147, effective March 17, 1997.

See: 29 N.J.R. 4(a), 29 N.J.R. 872(a).

In (a) and (c), amended N.J.A.C. references. Former section recodified to N.J.A.C. 5:33-1.8.

5:33-1.8 Use of replacement bills

(a) Replacement bills must contain property identification information, the amount of tax due, and indication of which quarterly installment is being paid for each parcel. It may be an individually printed bill with a stub, a printed listing of many bills, or many bills transferred via magnetic media or transmitted through electronic means. If printed individually, it must contain a stub that is at least six square inches in size and include the information detailed above.

(b) Individually printed replacement tax bills may be used under the following conditions:

1. For the first payment on the tax bill if the tax collector is unable to, or fails to, issue or mail an original or duplicate tax bill 15 calendar days prior to the statutory due date for that payment, or a later date set by the governing body at which time the full interest penalty for late payments shall begin to accrue, whichever is later;
2. For other quarters if a formal request for a duplicate or original tax bill is not fulfilled within 15 calendar days from the time the tax collector receives the request; or
3. For other quarters when specifically permitted by the tax collector.

(c) The tax collector may permit non-individually printed replacement bills to be used for payment periods other than the first payment period. Such determination shall be made solely by the tax collector and shall be published annually by the Director as provided in N.J.A.C. 5:33-1.9.

(d) When a payment is made with a replacement bill, if not previously forwarded, the tax collector shall forward the original bill or a duplicate tax bill, without charge, when the original tax bill was not properly issued by the tax collector. The tax collector shall send the original or duplicate tax bill, as the case may be, to the payor so the subsequent tax payments can be paid in a timely manner.

New Rule, R.1992 d.426, effective October 19, 1992.

See: 24 N.J.R. 2766(a), 24 N.J.R. 3723(c).

Public Notice: Tax collection.

See: 25 N.J.R. 2760(a).

Recodified from 5:33-1.7 and amended by R.1997 d.147, effective March 17, 1997.

See: 29 N.J.R. 4(a), 29 N.J.R. 872(a).

In (c), amended N.J.A.C. reference. Former section recodified to N.J.A.C. 5:33-1.9.

5:33-1.9 Annual publication of municipal practices

(a) Each year the Director shall survey each tax collector and, prior to June 14, publish, as a public notice in the New Jersey Register, a listing of the following tax collection practices for each municipality:

1. Duplicate bill fee;
2. Acceptable format(s) of replacement bills;
3. Use of printouts or electronic media for tax payment information;
4. Payment quarters when replacement bills may be used; and
5. Office and facsimile machine telephone numbers.

New Rule, R.1992 d.426, effective October 19, 1992.

See: 24 N.J.R. 2766(a), 24 N.J.R. 3723(c).

Public Notice: Publication of municipal tax collection practices.

See: 25 N.J.R. 2760(a).

Public Notice: Municipal tax collection practices.

See: 27 N.J.R. 2618(a).

Public Notice: Municipal tax collection practices.

See: 28 N.J.R. 4520(b).

Recodified from 5:33-1.8 by R.1997 d.147, effective March 17, 1997.

See: 29 N.J.R. 4(a), 29 N.J.R. 872(a).

Public Notice: Municipal tax collection practices.

See: 32 N.J.R. 3651(a).

SUBCHAPTER 2. TAX COLLECTOR CERTIFICATION

5:33-2.1 Course of instruction—Certified Tax Collector

(a) In addition to other requirements defined by N.J.S.A. 40A:9-145 et seq., successful completion of the three courses described in (b) through (d) below and as administered through the Center for Government Services at Rutgers, the State University, shall be required of candidates for Municipal Tax Collector certification.

(b) Principles of Municipal Tax Collection I, as follows:

1. Local government in New Jersey;
2. Office and duties of the tax collector;
3. Office and duties of the assessor and the county board of taxation;
4. Assessments for local improvements;
5. Tax deductions and exemptions;
6. Billing duties;

7. Cashier duties;
8. Reports;
9. Interest;
10. Enforcement duties prior to tax sale;
11. Personal property;
12. Miscellaneous duties;
13. Office and duties of the treasurer;
14. Office and duties of the utility collector;
15. Office and duties of the tax search officer;
16. Treasurer of school monies;
17. Tax sale overview.

(c) Principles of Municipal Tax Collection II, as follows:

1. Study of N.J.S.A. 54:5, Articles 1 through 11.

(d) Principles of Municipal Tax Collection III, as follows:

1. Setting up an office;
2. Management techniques;
3. Office procedures;
4. Internal control;
5. Records;
6. Reconciliations;
7. Reports; and
8. Miscellaneous.

(e) A Certificate of Completion of each course is subject to the following requirements:

1. Each candidate must attend at least three-quarters of the scheduled classes in addition to the final examination period(s); and
2. Passage of the final examination. The passing grades for the final examination shall be in accordance with the standards in effect and as prescribed by Rutgers, the State University, and shall be graded by the course instructors under the supervision of the Center for Government Services.

Amended by R.1995 d.490, effective September 5, 1995.
See: 27 N.J.R. 2132(a), 27 N.J.R. 3328(b).

5:33-2.2 Examination reviews: tax collector certification

(a) Review of a particular examination will be permitted only for those applicants who were not successful in passing such an examination.

(b) All examination reviews will be conducted in the offices of the Division of Local Government Services, 101 South Broad Street, Trenton, New Jersey 08625.

(c) Requests for examination reviews must be made in writing within two months of the date which appears on the notice of the mailing of the examination results. To arrange an examination review, an unsuccessful applicant must make a written request to the Division of Local Government Services, 101 South Broad Street, CN 803, Trenton, New Jersey 08625, setting forth several alternative dates and times which would be convenient to attend such a review. One of the dates will be selected and the applicant will be advised of the appointment date and time.

(d) Examination reviews will be conducted by a representative or representatives of the Division of Local Government Services. No one other than representatives of the Division of Local Government Services and the unsuccessful applicant for whom the review is being conducted shall be present at the examination review.

(e) The examination review will consist of the following:

1. Informing the applicant of his grade and explaining the manner in which the grade has been calculated.
2. Informing the applicant of the grade required for passage of the examination.
3. Specifying the categories of questions covered in the examination and informing the applicant how he fared category by category.
4. In limited circumstances, the representative of the Division conducting the review may discuss and review a specific question with the applicant.

(f) No applicant will be permitted to copy any questions or answers.

(g) No applicant will be permitted more than one review of a particular examination.

(h) The availability of examination reviews and instructions for requesting such a review are to be announced by proctors at examination centers before each examination commences.

**SUBCHAPTER 3. TENANTS' PROPERTY TAX
REBATE PROGRAM**

5:33-3.1 Authority

(a) This subchapter is promulgated under the authority of N.J.S.A. 54:4-6.10.

(b) This subchapter implements the provisions of the Tenant Property Tax Rebate Program, originally adopted in 1976 and revised in 1991.

(c) Correspondence and inquiries regarding the program may be addressed to:

Tenant Rebate Program
Division of Local Government Services
N.J. Department of Community Affairs
PO Box 803
Trenton, New Jersey 08625-0803

5:33-3.2 Definitions

The words and terms used in this subchapter shall have the following meanings, unless the context clearly indicates otherwise:

“Act” means the Tenants’ Property Tax Rebate Act, N.J.S.A. 54:4-6.2 et seq., as amended by P.L. 1991, c.65.

“Base year” means, as appropriate:

1. Calendar year 1990, for real rental property qualified on March 15, 1991, the effective date of the Act;
2. Any year after 1990, except the current year, in which property taxes exceed the amount paid in 1990.

"Current year" means the calendar year in which a property tax reduction is realized and rebates are calculated.

"Director" means the Director of the Division of Local Government Services.

"Division" means the Division of Local Government Services.

"Local agency" means the local rent control agency, where one exists, or the tax collector, in absence of a local rent control agency.

"MOD IV" means the MOD IV New Jersey Property Tax System administered by the State Division of Taxation, mandated for use by every municipal assessor and municipality, and authorized for use by data centers serving municipal clients.

"Notice" or "Notice of Tax Reduction" means the notice that the tax collector sends to owners when there is a property tax reduction in the current year. It includes a Tax Reduction Calculation, an Owner's Rent Rebate Certification, and a plain language summary of the law and rules.

"Owner" means the owner or landlord of qualified real rental property.

"Property tax reduction" means the difference between property taxes paid in the base year, and the lower taxes paid or payable in the current year, excluding taxes on improvements added since the base year. A negative number or zero does not produce a property tax reduction. See N.J.A.C. 5:33-3.8 for special circumstances concerning property tax reductions.

"Qualified property" or "qualified real rental property" means any building or structure, or complex of buildings and structures, in which dwelling units are rented or offered for rent, except:

1. Hotels, motels, and other guesthouses serving transient or seasonal guests;
2. Shareholders or owners of shares or units in a cooperative housing corporation, or residents of mutual housing corporations, or residents of continuing care retirement communities, who are eligible for homestead rebates pursuant to P.L.1990, c.62 (N.J.S.A. 54:4-8.57 et seq.);

3. A complex of three units or less on a single parcel when one is owner occupied;

4. Group residences, when the rent, paid by an individual or agency on behalf of a tenant, includes various social or personal services and requires tenant participation in rehabilitative, medical, or related programs; and

5. Mobile or manufactured homes taxed or licensed as vehicles, wherever sited, and manufactured or mobile homes installed in mobile home parks and therefore exempt from taxation as real property pursuant to N.J.S.A. 54:4-1.5b.

"Transient" or "transient guests" means individuals whose residence at a rooming or boarding house is on a temporary basis for a period lasting no more than 90 days.

Amended by R.1992 d.469, effective November 16, 1992.
See: 24 N.J.R. 3205(a), 24 N.J.R. 4255(a).

Definitions for base year, property tax reduction, and qualified property amended.

5:33-3.3 Tax collector responsibilities

(a) Each collector shall, within 30 days after tax bills are mailed, send a Notice of Tax Reduction to each owner of qualified property on which property taxes are reduced, with a copy to the local agency to retain for at least one year.

(b) Each tax collector shall make a notation in the MOD IV or other local system to identify, as qualified properties, all MOD IV Qualification Code 2 (Residential), 3A (Farm Regular), and 4A (Commercial) properties for which a Notice of Tax Reduction is returned. In addition, throughout the year, each tax collector shall use all locally available information and records to identify non-qualified or new properties that become qualified during the year.

(c) When third and fourth quarter property tax bills are prepared in any year in which a revaluation takes effect, the collector shall mail a Notice of Tax Reduction to all owners of properties identified in MOD IV Qualification Codes 2 (Residential), 3A (Farm Regular), 4A (Commercial), and 4C, (Apartments, five-family or more) on which property taxes are reduced with respect to the base year.

(d) Beginning in 1992, or the year following a revaluation, collectors shall send Notices to all owners of qualified property on which property taxes are reduced with respect to the base year, which shall include all owners of newly qualified properties, and all others identified as qualified under the program.

Amended by R.1992 d.469, effective November 16, 1992.
See: 24 N.J.R. 3205(a), 24 N.J.R. 4255(a).

Added clarification of the obligations of, and procedures used by, the collectors in issuing Notice of Tax reduction.

5:33-3.4 Notice of Tax Reduction

(a) The Notice of Tax Reduction, the form of which is incorporated herein by reference as Appendix A, shall include the following components:

1. Tax Reduction Calculation/Rent Rebate Certification. The front of this form is the collector's calculation of the decrease in taxes from the base year to the current year; the back provides for a rent rebate schedule, to be completed and certified by the owner or his agent, listing the various rental amounts and the amount of rebate for each, monthly and annual. The form shall contain the following information:

- i. The jurisdiction name;
- ii. The property owner name and address;
- iii. The property block and lot numbers;
- iv. The property tax reduction calculation;
- v. The purpose of form/general explanation;
- vi. The instructions;
- vii. The owner's certification of rent rebate;
- viii. The signature of the owner;
- ix. The rent list with corresponding rebate amounts; and
- x. The return address of the local agency.

2. Supplemental Rent Rebate Certification. An additional form for use when the original contains insufficient room.

3. Summary Statement. A plain language summary of the law and these rules, to guide owners as to their legal responsibilities. Reliance upon the Summary Statement shall not relieve an owner of any responsibilities under the law or rules.

(b) Collectors and MOD IV data centers may develop alternate forms, subject to approval of the Director, to meet their individual needs.

(c) Each collector shall maintain an active current file of qualified property owners, to facilitate future distribution of Notices and to assist in answering inquiries regarding the program.

5:33-3.5 Owner responsibilities

(a) Within 30 days after receipt of a Notice of Tax Reduction, every owner shall return to the local agency his Rent Rebate Certification, showing the total annual rebate due his residential tenants, adjustments for commercial or owner-occupied units when applicable, and his statement of compliance with the Act.

(b) When he returns his Rent Rebate Certification, every owner shall also post and maintain in a prominent place on his property a notice listing each different rent category and the corresponding amount of annual and monthly rebate due his tenants.

(c) Every owner shall endeavor to obtain addresses of former tenants who would be eligible for rebates for any period of the calendar year preceding the first rebate payment date, and to notify them by mail of their entitlement. Owners shall hold such rebates in escrow for one year, pending possible claims; unclaimed rebates shall thereafter revert to the owners with no further obligation.

5:33-3.6 Rebate calculation and payments

(a) Tenant rebates may be calculated by either of the two following methods; provided, that the Square Foot Method shall be used only when authorized or directed by ordinance.

Rent Method:

$$\text{i. } \frac{\text{Total tax reduction}^*}{\text{Total rent payable from all units}} = \frac{\text{Rebate percentage for}}{\text{all units}}$$

$$\text{ii. } \text{Rebate percentage} \times \text{rent of each unit} = \text{Rebate per unit}$$

2. Square Foot Method (when permitted or directed by ordinance):

$$\text{i. } \frac{\text{Total tax reduction}^*}{\text{Total rentable square footage}} = \text{Rebate per square foot}$$

$$\text{ii. } \text{Rebate per square foot} \times \text{area of each unit} = \text{Rebate per unit}$$

*Less allowance for commercial or owner occupancy

(b) When applicable, owners may reduce their "total tax reduction" subject to rebate by the proportion that owner-occupied units bear to total residential units, or that commercial occupancy bears to total rentable area (for example, 10 percent, where the owner occupies one unit in a 10-unit complex; 25 percent, where commercial occupancy is one-fourth the square-foot area of a multi-unit building).

(c) The first rebate of any year shall include payment or credit retroactive to January 1 for each current tenant resident for any part of that time, and for former tenants similarly resident and paid up. Thereafter, pro-rata rebate payments or credits shall be given whenever rents are due and paid.

1. Rebate amounts shall be completely paid or credited by the end of the calendar year for all tenants whose rent payments are current; provided that, rebates for delinquent tenants or cases in dispute about rent payments shall be held in escrow pending resolution.

2. A landlord who receives a Notice of Tax Reduction after November 1 of any year shall complete the rebate payment process no later than July 1 of the following calendar year.

(d) When a lease is terminated by the death of a tenant, any prior payment or credit due shall be paid promptly to the surviving spouse or to the executor or administrator of the decedent's estate.

(e) All rebate payments and credits shall be rounded to the nearest dollar. No rebate shall be required if the total rebate for a unit is less than \$6.00. If credited rather than paid, rebates shall be treated as immediate rent reductions.

(f) Rebates for unoccupied units shall revert to the owner, on a pro rata basis, for whatever periods the units are unoccupied.

(g) Boards of directors of residential cooperatives and mutual housing corporations shall allocate the rebate liability to each shareholder in accordance with existing corporation practices and shall provide the owner of each share a separate Notice of Tax Reduction indicating the rebate liability for that share. If the share represents qualified rental property, the shareholder shall notify and provide the rebate to any tenants.

Amended by R.1992 d.469, effective November 16, 1992.
See: 24 N.J.R. 3205(a), 24 N.J.R. 4255(a).

Rebate calculation and payment requirements modified.

5:33-3.7 Penalty provisions

(a) An owner who fails to provide a rebate to his tenants when it is due, or to a surviving spouse or executor of a deceased tenant, shall be liable to them for twice the amount due, or \$100.00, whichever is greater.

(b) An owner who knowingly and willfully fails to comply with specified provisions of the act shall be liable to the penalties and enforcement provisions prescribed in N.J.S.A. 54:4-6.12.

5:33-3.8 Special circumstances—property tax reductions

(a) The property tax reduction shall take into account judgments entered by a county tax board, the State tax court, or any other court of competent jurisdiction that take effect on or before the date on which the extended tax duplicate is closed for the tax year. (See *Cold Indian Springs Corp. v. Township of Ocean*, 81 N.J. 502 (1980).)

(b) Tax appeals from any prior year pending on or before the date on which the extended tax duplicate is closed for the tax year, shall be excluded from the calculation for the tax year. (See *Cold Indian Springs, supra.*)

(c) When the MOD IV system cannot exclude the value of improvements added since the base year, each collector

shall, upon written request of the property owner or tenant and with the assistance of the tax assessor, recalculate the Notice of Tax Reduction to exclude the value of the improvements. Issuance of the revised Notice of Tax Reduction shall restart the time requirement for notice to the tenant.

(d) Changes in property value resulting from a revaluation or reassessment shall not receive special consideration. There is no change in base year taxes, and current year taxes are calculated on the basis of the new assessment. (*Cold Indian Springs, supra.*)

New Rule, R.1992 d.469, effective November 16, 1992.
See: 24 N.J.R. 3205(a), 24 N.J.R. 4255(a).

Case Notes

Rule requiring that tax appeal judgments for prior years be taken into account in rebate calculations when judgments are entered before tax collector prepares bills for current or rebate year is invalid under *Cold Indian Springs Corp. v. Township of Ocean*, 81 N.J. 502, 410 A.2d 652, even though changes in filing date and timeline for tax appeals had substantially alleviated practical concerns motivating that decision. *New Jersey Apartment Ass'n v. Director, Div. of Local Government Services, Dept. of Community Affairs*, 304 N.J.Super. 445, 701 A.2d 452 (A.D. 1997).

5:33-3.9 Rebates for tenants who receive rent subsidies

If directed to do so by the sponsoring agency, landlords participating in the Federal "Section 8" housing voucher or other subsidized rental housing program who receive a Notice of Tax Reduction shall divide the property tax rebate between the tenant and the sponsoring agency, based on the percentage of the total rent each party pays, and rebate to the parties as appropriate. The sponsoring agency shall notify the landlord of the responsibilities and procedures to be followed under this section. If no direction is provided to the landlord, the entire rebate shall be provided to the tenant.

New Rule, R.1992 d.469, effective November 16, 1992.
See: 24 N.J.R. 3205(a), 24 N.J.R. 4255(a).

5:33-3.10 Enforcement by local agency

A municipal governing body may, by ordinance, grant a local rent control agency, serving as the local agency, authority to represent the municipality or tenants in legal action against a landlord under the statute and rules.

New Rule, R.1992 d.469, effective November 16, 1992.
See: 24 N.J.R. 3205(a), 24 N.J.R. 4255(a).

5:33-3.11 Consistency with municipal ordinances

The provisions of the act and this chapter herein shall supersede any conflicting municipal ordinance or provision thereof which provides rent reductions or rebates when property taxes are reduced.

New Rule, R.1992 d.469, effective November 16, 1992.
See: 24 N.J.R. 3205(a), 24 N.J.R. 4255(a).

APPENDIX A

New Jersey Tenant Property Tax Rebate Program - Notice of Tax Reduction
If the property identified on this card is not a rented residential property, disregard this notice.

Municipality:	County:	Tax Rebate Calculation
Block:	Lot:	Base Year - 19XX \$
	Qual:	19XX Taxes \$
Property Address:		Amount to be rebated \$

The N.J. Tenant Property Tax Rebate Act requires landlords of most year-round, rented residential property to rebate 100% of property tax reductions to tenants. Exceptions include 2 and 3 unit owner-occupied properties, and seasonal or transient rentals. If this property is not exempt, you must rebate to your tenant(s) the amount shown to the right, in accordance with the law and program rules (N.J.S. 54:4-6.2 et seq. and N.J.A.C. 5:33-3.1 et seq.)

The owner must complete the other side, and return this entire form, within 30 days of receipt, to:
 Name of Office
 Municipality Name
 Address
 City, State, Zip

Refer to the enclosed explanation sheet for additional information on the law and program rules.

Text set in this type style is to be replaced by computer generated data

New Jersey Tenant Property Tax Rebate Program - Rent Rebate Certification
For instructions on calculating the rebates, please consult the enclosures received with this form.

Landlords of non-owner occupied properties with 3 or fewer units complete the section below. If more room is required, or for properties of 4 or more units, use this or the enclosed Supplemental Owner's Rent Rebate Certification form (or a facsimile of it). In all cases, post a copy of the other side of this card and the Owner's Rent Rebate Certification form in a prominent place on the property. Return this card and a copy of any Supplemental certification form to the municipal office at the address shown on the other side.

Owner Rent Rebate Certification

The undersigned hereby certifies that the amounts shown below reflect the property tax rebate to be paid to tenants and that a copy of both sides of this form and any Supplemental Owner's Certification have been posted prominently for tenant inspection.

<i>Rebate per unit</i>	<i>Rebate/Credit per month</i>	<i>Rebate / credit per year</i>
1. \$	\$	\$
2.		
3.		
4.		
<i>Residential Totals.</i>	\$	\$
<i>Allocation to owner-occupied or commercial unit:</i>	\$	\$

Owner or Agent

Date: _____

SUBCHAPTER 4. MORTGAGE ESCROW ACCOUNT TRANSACTIONS

5:33-4.1 Authority

This subchapter is adopted under the authority of P.L. 1990, c.69, section 16, N.J.S.A. 17:16F-15 et seq.

5:33-4.2 Definitions

The following words and terms, as used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

“Director” means the Director of the Division of Local Government Services.

“Duplicate copy” shall have the meaning defined in N.J.S.A. 17:16F-15.

“Mortgagee” means the holder of a mortgage loan.

“Mortgage escrow account or escrow account” means an account maintained under a mortgage loan agreement, whether incorporated into the agreement or as part of a separately executed document, whereby: the mortgagor is obligated to make periodic payment to the mortgagee, or the mortgagee’s agent, for taxes, insurance premiums, or other charges with respect to the real property which secures the mortgage loan, and the mortgagee or the mortgagee’s agent is obligated to make payments for taxes, insurance premiums, or other charges with respect to the real property which secures the mortgage loan.

“Mortgage loan” shall have the meaning defined in N.J.S.A. 17:16F-15.

“Mortgagor” shall have the meaning defined in N.J.S.A. 17:16F-15.

“Property identification information” means the information necessary to identify a specific parcel of land and includes the following elements: name of municipality, county, block number, lot number, qualification code, property address or location, name and mailing address of the property owner.

“Property tax processing organization” shall have the meaning defined in N.J.S.A. 17:16F-15.

“Purchasing servicing organization” shall have the meaning defined in N.J.S.A. 17:16F-15.