



Legislation Text

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ORDINANCE FOR THE CITY OF NEWARK SUPPORTING AND CREATING A PROPERTY TAX REWARD PROGRAM TO BE IMPLEMENTED AS PART OF THE “SHOP NEWARK” LOCAL CAMPAIGN.

WHEREAS, the Newark Municipal Council desires to stimulate local commerce in the City by encouraging the patronage of Newark-based businesses by local residents and patrons; and

WHEREAS, the Newark Municipal Council has determined it is appropriate to permit “reward” type programs to give Newark taxpayers a financial incentive to patronize participating Newark-based businesses through obtaining a credit towards their property taxes and give non-taxpayers a financial incentive by providing rebate checks; and

WHEREAS, the goal of the program is to provide consumers with a financial incentive to patronize participating businesses in the form of a Property Tax Reward Program and at the same time provide City-based businesses with a financial incentive to enroll in the program in the form of increased patronage and revenues; and

WHEREAS, the Newark Municipal Council believes that the implementation of this program will benefit Newark-based businesses as well as resident taxpayers and patrons of Newark-based businesses.

NOW, THEREFORE, BE IT ORDAINED BY THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK, NEW JERSEY, THAT:

1. The Newark Municipal Council supports the implementation of the Property Tax Reward Program to be known as “Shop Newark”, and hereby authorizes the Mayor and/or his designee, Deputy Mayor/Director of the Department of Economic and Housing Development to coordinate the implementation of the

Title X Finance and Taxation

Chapter 11. “Shop Newark” Property Tax Rebate Program

Section 1.

The Property Tax Rebate Program shall be established and called the “Shop Newark Property Tax Rebate Program”.

Section 2.

The Property Tax Reward Program will be administered by a vendor to coordinate the program. The vendor shall be responsible to register interested businesses and patrons and market the program.

Section 3. The Vendor will be responsible for the following:

1. Program Promotion:
 - a. Design Property Tax Reward Cards in accordance with the City's design specifications for program registration and distribution to participants; and
 - b. Assist in production of marketing program; and
 - c. Attend meetings with the Association/City including program kick off with local businesses.

2. Entering into agreements with Merchants and establishing all terms including but not limited to:
 - a. Hardware;
 - b. Software;
 - c. Reward card processing;
 - d. Percentage of transaction credit to Consumer; and
 - e. Incorporate language indicating voluntary nature of program and legal indemnification language provided by City.

3. Design and host web portal to register and enter into agreements with Consumers establishing all terms including but not limited to:
 - a. Percentage of transaction credit to Consumer;
 - b. Timing of posting of credits (annually);
 - c. Develop reposts to reconcile to the City's tax system;
 - d. Policy regarding data privacy and sharing of information for marketing purposes;
 - e. Specific limits and restrictions relative to program participation;
 - i. A taxpayer must be current on his/her property tax bill in order to participate;
 - ii. No refunds will be issued. Credits on accounts that are current will result in prepayments of property taxes for future periods;
 - iii. Excludes sales tax;
 - iv. Not responsible for impact of program participation on mortgage escrow calculations;

- v. Not responsible for any changes in property ownership.;
 - vi. Participants cannot be in bankruptcy, 3rd party liens or municipal liens; and
 - vii. Post language indicating voluntary nature of program and legal indemnification language provided by the City, if any.
4. Provide Consumers with on-line reporting capabilities.
 5. Establish FDIC insured dedicated bank account(s) for the Shop Newark program. No funds for any other program or purpose shall be co-mingled. A copy of the statement for such accounts shall be provided to the City upon request.
 6. Receive annual file of delinquent tax payers, from the Tax Collector, Generate an annual download file in accordance with City specifications, including necessary flags and filters to ensure that delinquent accounts are rejected. The file shall be transmitted to the City on or about June 1, 2017, so that adjustments can be reflected in the third quarter billing of the annual tax bill.
 7. Initiate an annual wire transfer to City-specified account. The amount of the wire transfer must equal the total dollar amount of valid transactions to be posted to Consumer accounts.
 8. Coordinate with the City to give authorized personnel ability to review/accept/reject annual downloads prior to generating wire transfer.
 9. Provide transaction and account reconciliation reporting capabilities in accordance with City specifications.
 10. Provide customer service support Monday through Friday, 8:30 am to 6:00 pm EST for Merchants, Consumers and City.
 11. All programming and system implementation costs to ensure process automation and compliance with all relevant State and Local laws, rules and regulations.

Section 4. Responsibilities by City Departments and/or designee:

1. The Department of Economic and Housing Development and/or designee will provide dedicated bank account information for annual wire transfer.
2. The Department of Economic and Housing Development and/or designee will provide software merchant contact information to facilitate program implementation.
3. The Department of Economic and Housing Development and/or designee will provide access to staffing resources for program testing.
4. The Department of Economic and Housing Development and/or designee will acquire and

distribute reward cards and window clings.

5. The Department of Economic and Housing Development and/or designee will provide ongoing program marketing and promotion.
6. The Department of Economic and Housing Development and/or designee will update Administrator regarding any known changes in status of participating Merchants.

Section 5. The Mayor and/or Deputy Mayor/Director of the Department of Economic and Housing Development and the Director of Finance of the City are each hereby authorized to execute any documents necessary to implement the program.

Section 6. The Director of Finance will prepare the Dedication of Rider Resolution and establish the necessary Trust Fund for the rebated funds. The Vendor will deposit Seventy Percent (70%) of the rebate funds into the established Trust Fund.

Section 7. The maximum fee that the vendor can collect for managing the program is 30% of the rewards granted by merchants to consumers.

Section 8. The City shall establish the necessary reporting requirements for any payment of taxes made to the City by the vendor. The City shall not be responsible for any impact of program participation on mortgage escrow calculations. The City shall not be responsible for any changes in property ownership.

Section 9. If any part of this Ordinance shall be deemed invalid, such parts shall be severed and the invalidity thereof shall not affect the remaining parts of this Ordinance.

Section 10. A copy of this Ordinance shall be filed with the City Clerk by the Deputy Mayor/Director of the Department of Economic and Housing Development.

Section 11. The adoption of this ordinance amendment shall take effect upon final passage and publication in accordance with the laws of the State of New Jersey.

STATEMENT

This Ordinance authorizes the Mayor, and/or his designees, the Deputy Mayor/Director of the Department of Economic and Housing Development and the Finance Director, to coordinate and implement a Property Tax Reward Program (“Shop Newark”).