



Legislation Text

File #: 20-1295, Version: 1

Dept./ Agency: Finance

Action: (X) Ratifying (X) Authorizing () Amending

Type of Service: Temporarily Reduction on Interest Rates due to COVID-19 Public Health Crisis

Purpose: To implement a temporary interest reduction program on property taxes, delinquent property taxes, City-owned municipal liens and water and sewer charges.

Program Period: October 7, 2020 through December 31, 2020

Additional Information:

Current Rate

8% on first \$1,500.00 delinquency
18% on remaining balance

Proposed Rate

0% on first \$1,500.00 delinquency
0% on remaining balance

WHEREAS, in early March 2020, Governor Philip D. Murphy issued Executive Orders declaring a State of Emergency and a Public Health Emergency posed by the novel Coronavirus ("COVID-19"); and

WHEREAS, on March 11, 2020 the World Health Organization declared COVID-19 to be a global pandemic, which has resulted in deaths worldwide; and

WHEREAS, in order to stem the spread of the virus and to save lives, Governor Murphy and Mayor Baraka issued Executive Orders which suspended all non-essential business operations and ordered individuals to stay home to save lives; and

WHEREAS, these steps instituted by the Governor and the Mayor to save lives, has effected residents' ability to work and provide for their families; and

WHEREAS, the Administration together with the Municipal Council recognizes that there is a need to assist property owners who are delinquent in their property taxes and to avoid any drastic increase in the 2020 tax rate, by offering a short term "Amnesty Interest Reduction Program"; and

WHEREAS, given the serious financial issues caused by the COVID-19 pandemic, the Administration and Municipal Council desires to set forth an Amnesty Interest Reduction Program to include delinquent Property Taxes, Water and Sewer Charges and City-Owned Municipal Tax Sale Liens for the year(s) 2020 and prior years, which will authorize the Tax Collector, the Director of the Department of Finance and the Director of the Department of Water and Sewer Utilities to waive only the interest and penalties on said charges for the period of October 7, 2020 through December 31, 2020; and

WHEREAS, this Amnesty Interest Reduction Program applies only to: (a) Interest and

penalties accrued on delinquent charges; and (b) subsequent interest and penalties accrued on City-Owned Tax Sale Certificates after the sale date; and

WHEREAS, this Amnesty Interest Reduction Program is exclusive of, and does not include the following:

- Third Party/Outside Municipal Lien Holders purchased or assigned
- Tax Appeals via State or County Board judgments where there are outstanding taxes
- Accounts in Bankruptcy or any other Litigation pending or settled
- Any Funds, Interest, penalties, premiums or fees due to a third party lien holder, purchased or assigned
- Penalties of any kind
- Any properties acquired, transferred, purchased or negotiated through any Federal, Civil, Municipal, State or Superior Court; and

WHEREAS, to receive the benefit of the Amnesty Interest Reduction Program, payments must be for the entire delinquent amount due and owing. Payments must be by Certified Bank Funds, Bank Postal Money Orders or Cash Only. No Personal, Business or Attorney Trust Fund Checks will be accepted. The delinquent amount due and owing must be paid in full. Partial payments will not receive the benefit of this Amnesty Interest Reduction Program (interest will not be waived on partial payments); and

WHEREAS, this Amnesty Interest Reduction Program will authorize the Tax Collector and the Director the Department of Finance, in their statutory capacity, to set the interest rate on delinquent property taxes and water and sewer charges, including 2020 and prior years, and City-Owned Municipal Tax Liens, from 8% and 18% respectively, to 0 % for the period of October 7, 2020 through December 31, 2020 only.

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

1. The Tax Collector, the Director of the Department of Finance and Director of the Department of Water and Sewer Utilities are hereby authorized to commence an Amnesty Interest Reduction Program for interest and penalties assessed as follows, for the year(s) 2020 and prior years for Property Taxes, Delinquent Property Taxes, Water and Sewer Charges and City-Owned Municipal Tax Sale Liens.
2. The Amnesty Interest Reduction Program is exclusive of claims of Bankruptcy, Litigation of any kind and Third Party Tax Sale Liens.
3. The Amnesty Interest Reduction Program is exclusive of interest and penalties that is part of any City-Owned Municipal Tax Sale Certificate.
4. This resolution ratifies the Amnesty Interest Reduction Program from October 7, 2020 to the date of the adoption of this authorizing resolution.

5. The Amnesty Interest Reduction Program shall be in effect from October 7, 2020 through December 31, 2020.
6. The account cannot be under the protection of the U.S. Bankruptcy Court, which prohibits the City of Newark from collection of this debt, inclusive of any claims being dismissed or discharged.
7. The account cannot be part of any pending settlements of any kind regarding property taxes.
8. Payments shall be for the total outstanding balance due and owing to receive the benefit of the Amnesty Interest Reduction Program.
9. Upon expiration of this Amnesty Interest Reduction Program period, interest will be assessed without regard to the temporary rate of 0%, and return to the set rate of 8% and 18% respectively.
10. This resolution will not be extended or amended, unless another resolution is presented for Municipal Council approval.
11. The Tax Collector, the Director of the Department of Finance and Director of the Department of Water and Sewer Utilities are hereby authorized to do all things necessary to accomplish this task.

STATEMENT

This resolution ratifies and authorizes the Tax Collector, the Director of the Department of Finance and Director of the Department of Water and Sewer Utilities to implement an Amnesty Interest Reduction Program of the interest and penalties on Property Taxes, Delinquent Property Taxes, Water and Sewer Charges and City-Owned Municipal Tax Sale Liens only, for the period of October 7, 2020 through December 31, 2020. The term of this Program can only be extended by an amendment to this resolution approved by the Municipal Council.