



## Legislation Text

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File #: 23-0748, Version: 1

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**Dept/ Agency:** Finance

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

**Type of Service:** Alternate Method of Calculating the Reserve for Uncollected Taxes

**Purpose:** To request the consent of the Division of Local Government Services to adjust the amount of Reserve for Uncollected Taxes required to be included in the City Budget.

**Program Period:** 2023 Budget

**Additional Information:**

A certified copy of this Resolution must be submitted to the Division of Local Government Services.

**WHEREAS**, N.J.S.A. 40A:4-41c (1), enacted into law (P.L. 2010, c. 56), provides alternate methods of calculating the Reserve for Uncollected Taxes; and

**WHEREAS**, for any municipality in which tax appeal judgments have been awarded to property owners from action of the County Tax Board, pursuant to R.S. 54:3-21 et seq., or the State Tax Court, pursuant to R.S. 54:48-1 et seq., in the preceding fiscal year, the Governing Body of the municipality may elect to determine the reserve for uncollected taxes by using the average of the percentages of taxes levied which were received in cash by the last day of each of the three preceding fiscal years. Election of this choice shall be made by Resolution, approved by a majority vote of the full membership of the Governing Body prior to the introduction of the annual budget, pursuant to N.J.S.A. 40A:4-5; and

**WHEREAS**, the City of Newark's Adjusted Average Tax Levy for the years 2020, 2021, and 2022 was 93.72%; and

**WHEREAS**, for the year 2023, the City of Newark (the "City") will use 93.70% for the Reserve for Uncollected Taxes; and

**WHEREAS**, the City of Newark has determined that it is advantageous for the City to utilize the method under N.J.S.A. 40A:4-41c (1).

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

1. The Director of the Division of Local Government Services in the Department of Community Affairs, be and is hereby requested to give his/her written consent to allow the City of Newark to compute the Reserve for Uncollected Taxes, pursuant to the provisions of N.J.S.A. 40A:4-41c (1).

2. The Acting City Clerk shall upload a certified copy of this Resolution on the FAST System for the Director of the Division of Local Government Services.

**STATEMENT**

This Resolution authorizes the Municipal Council, by a majority vote of the full membership, to approve the use of an alternate method of calculating the Reserve for Uncollected Taxes, which will be beneficial for the City.