City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Details (With Text)

File #:	20-0888	**Version:** 1	**Name:**	2020 Reserve for Uncollected Taxes Calculation
Type:	Resolution		**Status:**	Adopted
File created:	7/21/2020		**In control:**	Finance
On agenda:	8/5/2020		**Final action:**	8/5/2020

Title: Dept/ Agency: Finance
Action: ( ) Ratifying (X) Authorizing ( ) Amending
Type of Service: Alternate Method of Calculating the Reserve for Uncollected Taxes
Purpose: Requesting 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: Budget Year 2020
Additional Information:
A certified copy of this resolution must be submitted to the Division of Local Government Services.

Sponsors: Council of the Whole

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
8/5/2020	1	Municipal Council	Adopt	Pass

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WHEREAS, N.J.S.A. 40A:4-41(c)(2), enacted into law (P.L. 2010, c.56), provides alternate methods of calculating the Reserve for Uncollected Taxes; and

WHEREAS, one method under N.J.S.A. 40A:4-41(c)(2), permits the Governing Body of any municipality in which the amount of tax reductions resulting from tax appeal judgments 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., result in tax reductions in the preceding fiscal year, may elect to calculate the current year reserve for uncollected taxes by reducing the certified tax levy of the prior year by the amount of the tax levy adjustment resulting from those judgments. 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 Tax Levy in 2019 was $469,069,281.07; and

WHEREAS, during 2019 the City of Newark's Tax Levy was reduced by $4,170,302.78 in 2019 tax appeals; 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:4-41(c)(2).

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

1. By a majority vote of the full membership of the Municipal Council, it approves that the maximum percentage to be used for the reserve for uncollected taxes in the 2020 Budget is 97.08% based on N.J.S.A. 40A:4-41 (c)(2).

2. The Director of the Division of Local Government Services, in the New Jersey Department of Community Affairs, be and is hereby requested to give their 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:4-41 (c)(2).

3. The City Clerk shall file two (2) certified copies of this resolution with 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.