



# City of Newark

City Hall  
920 Broad Street  
Newark, New Jersey 07102

## Legislation Text

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File #: 16-0944, Version: 1

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**Dept/ Agency:** Finance

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

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

**Purpose:** To adjust the Amount of Reserves for Uncollected Taxes

**Program Period:** 2016

**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 2015 was \$417,521,997.06; and

**WHEREAS**, during 2015 the City of Newark's Tax Levy was reduced by \$1,366,448.08 in 2015 tax appeals; and

**WHEREAS**, the City of Newark has determined that it is advantageous for the City of Newark 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**, by a majority vote of the full membership of the Municipal Council of the City of Newark, approves that the maximum percentage to be used for the reserve for uncollected taxes in the 2016 budget is 96.18% based on N.J.S.A. 40A:4-41c(2); and

**BE IT FURTHER RESOLVED**, that the Director of the Division of Local Government Services, in the Department of Community Affairs, be and is hereby requested to give 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 (2).

**BE IT FURTHER RESOLVED**, that the City Clerk shall file two (2) certified copies of this resolution with the Director of the Division of Local Government Services.

### STATEMENT

This legislation 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.