

**MANSFIELD TOWNSHIP
BURLINGTON COUNTY**

RESOLUTION 2023-1-18

**INTEREST RATES ON DELINQUENT TAXES AND PENALTIES ON TAX TITLE LIENS
(ASSEMBLY BILL NO. 4425 AND SENATE BILL NO. 2579)**

WHEREAS, R.S. 54:4-67, laws of New Jersey, permits the Governing Body of each municipality to fix the rate of interest to be charged for non-payment of taxes as provided by law; and,

WHEREAS, R.S. 54:4-67 has been amended to define a tax delinquency as follows:

“Delinquency means the sum of all taxes and municipal charges due on a given parcel of property covering any number of quarter or years. The governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000.00 who fails to pay the delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed 6% of the amount of the delinquency”; and,

WHEREAS, R.S. 54:5-61 permits the holder of tax title lien, upon compliance with the provisions of Section 54:5-62, shall be entitled to collect from the owner or other person having an interest in the lands an additional sum equal to two percent (2%) of the amount so paid for the tax title; and

WHEREAS, R.S. 54:5-61 has been amended and relates to the amount to be charged on penalties as follows:

“When the taxes, interest and costs shall exceed the sum of \$5,000.00 such additional sum shall be equal to 4% of such amount paid; and when that sum exceeds \$10,000.00 such additional sum shall be equal to 6% of such amount paid. This section shall also apply to all existing certificates held by municipalities on effective date of this act”; and,

WHEREAS, N.J.S.A. 54:4-66.3d states that:

The third installment of current year taxes shall not be subject to interest until the later of August 1, the additional interest-free period authorized pursuant to R.S. 54:4-67, or the twenty-fifth calendar day after the date that the tax bill or estimated tax bill for the third installment was mailed or otherwise delivered. Any payment received after the later of August 1, the additional interest-free period authorized pursuant to R.S. 54:4-67, or the twenty-fifth calendar day after the date that the tax bill or estimated tax bill for the third installment was mailed or otherwise delivered may be charged interest back to August 1. The estimated tax bill shall contain a notice specifying the date on which the interest may begin to accrue;

NOW, THEREFORE, BE IT RESOLVED by the Township Committee of the Township of Mansfield, County of Burlington, State of New Jersey, that Mansfield Township shall fix the

rate of interest to be charged to the nonpayment of taxes or assessments on or before the date when they would become delinquent, and provides that no interest shall be charged if payment of any installment is made within the tenth calendar day following the date upon which the same became payable. In the event the taxes are not paid within the ten calendar days, interest will be charged from the date it became payable to the day it reaches the tax office.

The rate so fixed shall not exceed 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00 to be calculated from the date the tax was payable until the date of actual payment, for the year 2023.

BE IT FURTHER RESOLVED, the Tax Collector is hereby authorized and directed to charge an additional penalty of 6% of the amount of the delinquency in excess of \$10,000.00 and the delinquency is to be calculated only on an individual year basis and cannot be accumulated from year to year.

BE IT FURTHER RESOLVED, that the Tax Collector is hereby authorized and directed to charge a 2% penalty on the amount due over \$200.00 up to \$5,000.00; 4% up to \$10,000.00 and 6% on excess of \$10,000.00 on Tax Title Liens. This change is applicable to all certificates held by the municipality as well as those, which may be subsequently acquired by them as a result of future tax sales. The delinquency now is to be calculated on the sum of taxes from year to year and not to be calculated on an individual year basis.

BE IT FURTHER RESOLVED, that certified copies of this Resolution be provided by the Township Clerk to the following:

- a. Tax Collector
- b. Township Solicitor
- c. Township Auditor

BE IT FURTHER RESOLVED, that this Resolution shall take effect immediately.

MOTION: TALLON

SECOND: SISZ

ROLL CALL VOTE

AYES: TALLON, SISZ, BOYD, MOJENA

NAYS: ABSTAIN: ABSENT: GOLENDIA

CERTIFICATION

I, LINDA SEMUS, RMC, CMR, Municipal Clerk of the Township of Mansfield, County of Burlington, State of New Jersey, do hereby certify the foregoing to be a true and accurate copy of the Resolution adopted by the Township Committee of the Township of Mansfield, County of Burlington, State of New Jersey, at their Reorganizational Meeting held on January 4, 2023 at 6:00 PM at the Mansfield Township Municipal Complex.

LINDA SEMUS, RMC, CMR
Municipal Clerk