

**OCEAN CITY FAIRNESS IN TAXES
POST OFFICE BOX 565
OCEAN CITY, NEW JERSEY 08226**

Thursday, April 23, 2020

Mayor Jay A. Gillian
City of Ocean City, New Jersey
City Hall - 860 Asbury Avenue
Ocean City, New Jersey 08226

**SUBJECT: City Council Meeting - April 23, 2020
Resolution #18 - Changing Rate of Interest for Delinquent Taxes**

Dear Mayor Gillian:

I am writing in regards to the proposed resolution that will adjust interest rates on delinquent property taxes as a result of the COVID-19 pandemic. You should be commended for taking steps to reduce the short term financial burden being placed on struggling taxpayers by this extraordinary event. However, the resolution as prepared will not provide any financial relief whatsoever to certain property owners.

As you know, currently, interest rates on delinquent property taxes are 8% on the first \$1,500 and 18% on any amounts in excess of \$1,500. Under the proposed resolution, the interest rate on the first \$1,500 would remain the same at 8%, while the interest rate for delinquent taxes in excess of \$1,500 is decreased or lowered by 10 points to 8%. This resolution provides no financial relief to a property owner whose home is assessed at or under \$620,000. If those property owners are late with their tax payment, they are still charged 8% interest; no change and no relief. This represents a glaring oversight that needs to be adjusted so that the city treats all property owners equally along with affording the same financial relief on delinquent property taxes due to the virus.

Consideration should be given to what many towns are implementing and that is simply providing a thirty (30) day grace period for the tax payment due May 1 with an interest rate of essentially zero percent. This affords the same level of financial relief to all taxpayers along with providing time for the city to assess how the pandemic is impacting tax collection. If tax collections are adversely effected by the ongoing pandemic, then further adjustments can be made at a later date based on actual tax collection rates versus anticipated tax collections rates. For your easy reference, I have attached a resolution from a neighboring communities as an example of this fair and appropriate approach.

Regardless of the city's eventual position on this matter, it is critical that the city treat all taxpayers fairly and equally during this challenging time. The proposed resolution as written does not accomplish that and therefore changes should be made to reflect equal and fair treatment for all taxpayers.

Respectfully yours,

A handwritten signature in black ink, appearing to read 'DBR', written in a cursive style.

David Breeden, President
Ocean City Fairness in Taxes

ATTACHMENT – Middle Township Resolution

cc: City Council Members
Dottie McCrosson, City Solicitor
Frank Donato, Chief Financial Officer
Terence Graff, Tax Collector
Board Members - Ocean City Fairness in Taxes

TOWNSHIP OF MIDDLE
COUNTY OF CAPE MAY
STATE OF NEW JERSEY

RESOLUTION
175-20

Date: April 20, 2020

Subject: ESTABLISHING THE RATE OF INTEREST FOR DELINQUENT TAXES
Introduced By: Committeeman Gandy Seconded By: Mayor Donohue
Vote – Aye: Committeeman Gandy, Mayor Donohue
Nay:

**Committeeman Norris was absent*

WHEREAS, N.J.S.A. 54:4-67a permits the governing body by resolution to fix the rate of interest to be charged for the nonpayment of taxes, assessments, or other municipal liens or charges, on or before the date when they would become delinquent; and

WHEREAS, the statute fixes the rate of interest cannot 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 that actual payment to the tax collector is made; and

WHEREAS, the Township of Middle adopted Resolution No. 27-20 setting the Rate of Interest for Delinquent Taxes rate of 8% per annum on the first \$1,500.00 of such delinquency and at the rate of 18% per annum on any amount in excess of the said first \$1,500.00; and

WHEREAS, due to the COVID-19 pandemic and the State and Federal declarations of a major disaster throughout New Jersey, the governing body of the Township of Middle wishes to change the rate of interest for future delinquent tax payments for the 2nd quarter tax, which is due May 1st;

NOW THEREFORE, BE IT RESOLVED, by the governing body of the Township of Middle in the County of Cape May that the rate of interest for taxes unpaid after May 10, 2020 is fixed at 0% for an additional 30 days; and

BE IT FURTHER RESOLVED, that the rate of interest for taxes unpaid shall be calculated from date of the quarterly payment until the date of actual payment; and

BE IT FURTHER RESOLVED, this Resolution shall be published in its entirety once in the official newspaper of the Township of Middle and a copy of this adopted Resolution forwarded to the Division of Local Government Services in the Department of Community Affairs

BE IT FURTHER RESOLVED, effective June 10, 2020 the rate of interest for taxes unpaid after May 1, 2020 is fixed at 8% on the first \$1,500.00 of delinquency and 18% per annum on any amount of taxes in excess of \$1,500.00 effective June 10, 2020

I, Kimberly D. Krauss, Township Clerk of the Township of Middle, Cape May County, do hereby certify the foregoing to be a true and correct copy of a Resolution adopted by the Township Committee at a meeting of said Middle Township Committee, held on April 20, 2020 and said Resolution was adopted by not less than a two-thirds vote of the members of the Township Committee.

Witness my hand and seal of
the Township of Middle, this
20th day of April, 2020



Kimberly D. Krauss, Township Clerk

