

Circumstances surrounding issuing the 2017 Hope Township Property Tax Bills

After the county, school, and municipal budgets are adopted and state aid is finalized, the County Tax Board is charged with formulating every municipalities' property tax rate. This happens in every New Jersey county according to state statute with the Tax Board issuing what is called a Certified Tax Rate.

On Monday, July 17, 2017 at 11:34 am Hope Township received a fax which noticed our certified 2017 property tax rate. This tax rate certification was issued under the auspices of the Warren County Board of Taxation.

Immediately after receiving the fax, the Hope Township Municipal Clerk called me and I started preparing for the printing of the bills around 4:30 PM. My sense of urgency in mailing the bills was caused by the lateness of the setting of the tax rate (state statute requires bills to be mailed no later than 25 days prior to the end of the grace period or July 16) and my concern for future cash flow problems.

The Deputy Collector and I worked on the evening of July 17th making accounting entries, printing, stuffing envelopes, postage and mailing the 2017/18 tax bills. Even before printing physical bills, data files are compiled and sent electronically for bank escrowed properties. Bank escrowed properties are approximately 40% of the total. As Collector I am required to certify to the County Tax Board that the bills were issued. This certification was faxed to the Tax Board at 10:27 pm on July 17th.

On Tuesday, July 18 at 1:47 pm Hope Township received another fax from the Warren County Board of Taxation notifying us of a revised 2017 tax rate. This new rate reduced our overall tax by 1/10 of a cent per hundred dollars of assessment. This amounts to overbilling a property assessed at \$200,000 by \$2.00 for the year.

There are two solutions to correct the problem – reprinting new tax bills or making an accounting entry on every property to apply the overpayment to 2018 taxes.

The reason why I did not recommend to the Township Committee that new bills be issued is that bank escrowed properties were already billed. The cost to the Township to re-do the tax bills and do another mailing would be in excess of \$1500. Also, since there is a State mandated 25 day mailing requirement, the end of the grace period would be at the end of August which would also create possible cashflow concerns for the Township.

The solution that I recommended and which will be followed will be that the tax bills containing the first certified tax rate will be mailed as planned. The resulting 2017 overpayment will be applied to the 2018 tax year. Remember this overpayment is a very small dollar amount (example, a property assessed at \$200,000 would show an overpayment by \$2).

The corrected quarterly amounts are also now available on our website at www.tax.hopetwp-nj.us.

I sincerely apologize to Hope Township taxpayers for this confusion, but as you can see, its cause was entirely the result of the Warren County Board of Taxation misinformation.

Stephen J. Lance
Hope Township Tax Collector