

RULE ADOPTIONS

COMMUNITY AFFAIRS

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DIVISION OF LOCAL GOVERNMENT SERVICES LOCAL FINANCE BOARD

Notice of Readoption Tax Collection Administration Readoption: N.J.A.C. 5:33

Adopted: June 10, 2020, by Local Finance Board, Melanie R. Walter, Chair as to N.J.A.C. 5:33-1 (except for N.J.A.C. 5:33-1.1, 1.2, and 1.9); Melanie R. Walter, Director, Division of Local Government Services, as to N.J.A.C. 5:33-1.1, 1.2, 1.9, 3, and 4.5(d) through (g); and Lt. Governor Sheila Y. Oliver, Commissioner, Department of Community Affairs, as to N.J.A.C. 5:33-4 (except for N.J.A.C. 5:33-4.5(d) through (g)).
Authority: N.J.S.A. 17:16F-15 et seq.; 40A:4-27.3.d; 52:27BB-10 and 32; and 54:4-6.10, 66.12, 8.81, and 122.9.

Effective Date: June 10, 2020.

New Expiration Date: June 10, 2027.

Take notice that, pursuant to N.J.S.A. 52:14B-5.1, the rules regulating the administration of tax collection, electronic tax lien sales by municipalities, the administration of the tenant property tax rebate program, and the performance of mortgage escrow account transactions by tax collectors, N.J.A.C. 5:33, are readopted and shall continue in effect for a seven-year period. The rules were scheduled to expire on September 13, 2020.

The authority for the Local Finance Board (Board) to regulate tax collection administration is found at N.J.S.A. 52:27BB-10 and 32. These sections authorize the Local Finance Board to promulgate reasonable rules and regulations, forms, and practices for the interpretation and administration of State laws within the jurisdiction of the Division of Local Government Services in the Department of Community Affairs, which include tax collection administration. Authority for the Director of the Division of Local Government Services (Director) to establish rules applicable to electronic tax lien sales by municipalities and bank collection of tax payments is found at N.J.S.A. 54:5-19.1.a and 122.9.b, respectively. The Director's authority to promulgate rules concerning administration of the Tenant Property Tax Rebate Program (Program), including regulating the distribution of Regional Efficiency Aid Program (REAP) aid through said Program, is found at N.J.S.A. 40A:4-27.3.d, 54:4-6.10, and 54:4-8.81. N.J.S.A. 54:4-66.12 authorizes the Director to adopt rules pertaining to property tax credits for charitable donations made to a municipal or county charitable fund established pursuant to P.L. 2018, c. 11. The authority of the Commissioner of the Department of Community Affairs (Commissioner) to promulgate rules applicable to mortgage escrow account transactions by tax collectors is found at P.L. 1990, c. 69, § 15.

The Board, the Director, and the Commissioner have reviewed the rules proposed for readoption and have determined them to be necessary, reasonable, and proper for the purposes for which they were originally promulgated. There is a continued need to set rules to ensure Statewide consistency in the administration of municipal tax collection practices, tenant rebate procedures, and mortgage escrow account transactions. The rules promulgated at N.J.A.C. 5:33 fulfill this need and serve to uphold the integrity of these respective administrative processes. The Commissioner and the Director have authorized the Board to readopt the portions of the chapter that fall within their respective statutory authorizations to promulgate rules. The Local Finance Board approved the readoption of N.J.A.C. 5:33 at its June 10, 2020 meeting.

The rules at N.J.A.C. 5:33 were originally adopted in 1990, having been amended and supplemented over the years pursuant to statutory changes and new developments in property tax collection. Readoption of

N.J.A.C. 5:33 is essential to ensuring fairness and integrity in the tax collection process.

The rules proposed for readoption at Subchapter 1 address a variety of different issues related to tax collection practices. The sections in this subchapter are described as follows:

N.J.A.C. 5:33-1.1, originally adopted by the Director of the Division of Local Government Services in late 2017 for an effective date of January 2, 2018, establishes procedures and parameters for internet-based sales by a municipality for delinquent taxes and municipal charges. With respect to conducting an online sale, N.J.A.C. 5:33-1.1 creates a framework for advertising the tax lien sale, issuance of individual notice to the property owner, bidder registration, and conducting the online tax lien sale, as well as requirements pertaining to the receipt and processing of payments. The rule also addresses areas such as procuring a third-party vendor, prerequisites for awarding a contract, standard contract terms, and limitations on vendor fees. Minimum technological, cybersecurity, and internal control standards and capabilities are also established.

N.J.A.C. 5:33-1.2 establishes tax collection procedures and notification requirements applicable to municipalities engaging the services of a bank or trust company to collect tax or utility receipts on their behalf.

N.J.A.C. 5:33-1.3 requires tax collectors to utilize standard forms for posting preliminary and final taxes.

N.J.A.C. 5:33-1.4 requires municipal taxing districts to use specified forms for recording Certificates of Sale for Unpaid Municipal Liens and Certificates of Search for Municipal Liens.

N.J.A.C. 5:33-1.5 establishes requirements for reconciling discrepancies involving property tax payments made by third-party property tax processing or servicing organizations.

N.J.A.C. 5:33-1.6 provides definitions for the key words and terms used in Subchapter 1.

N.J.A.C. 5:33-1.7 and 1.8 specify the procedures that must be followed in making tax payments using original or duplicate tax bills, respectively.

N.J.A.C. 5:33-1.9, the final adoption of which became effective June 3, 2019, as part of the implementation of municipal and county charitable funds pursuant to P.L. 2018, c. 11, establishes requirements for the tax collector's application of a municipal or county charitable fund credit to the donor's next upcoming annual property tax bill or, if the municipality permits, to a tax bill that has already been issued.

The rules at Subchapter 2, which originally detailed the procedures and requirements for the certification of municipal tax collectors were amended and recodified as N.J.A.C. 5:32-3, effective December 4, 2017. This subchapter is presently being held in reserve for future use.

The rules at Subchapter 3 establish procedures for administering the Tenants' Property Tax Rebate Program. The sections in this subchapter are described as follows:

N.J.A.C. 5:33-3.1 cites the statutory authority for the rules set forth in this subchapter and provides an address for receiving correspondence and inquiries.

N.J.A.C. 5:33-3.2 provides definitions of the key words and terms used in this subchapter.

N.J.A.C. 5:33-3.3 establishes the responsibilities of the tax collector in administering the Tenant Rebate Program.

N.J.A.C. 5:33-3.4 provides that Tax Reduction Notices issued by tax collectors and MOD IV data centers in New Jersey shall be substantially uniform. It also lists the information required for such notices. This section is supplemented by Subchapter 3 Appendix A, which provides a standard form to be used when issuing the notices.

N.J.A.C. 5:33-3.5 prescribes actions property owners must take within 30 days following receipt of a Notice of Tax Reduction.

N.J.A.C. 5:33-3.6 provides a formula for calculating the amount to be rebated to tenants residing in qualified properties. The various steps included in the formula are explained and demonstrated, and a sample of how to apply the formula is given in Subchapter 3 Appendix A.

N.J.A.C. 5:33-3.7 references the penalty provisions applicable to owners failing to provide tenant rebates when due or who fail to comply

with other provisions of the Tenants' Property Tax Rebate Act (Act), N.J.S.A. 54:4-6.2 et seq.

N.J.A.C. 5:33-3.8 provides that tenants living in subsidized housing are entitled to the full amount of any property tax rebate, unless the sponsoring agency directs otherwise.

N.J.A.C. 5:33-3.9 allows the local rent control agency, should one exist, to represent the municipality or tenants in any legal action providing for rent reductions or rent rebates in instances when property taxes are reduced.

N.J.A.C. 5:33-3.10 indicates that the provisions of the Act and of this subchapter shall supersede any municipal regulations providing for rent reductions or rent rebates in instances when property taxes are reduced.

Subchapter 4 details the procedures and requirements for administering mortgage escrow account transactions. The sections in this subchapter are described as follows:

N.J.A.C. 5:33-4.1 references the statutory authority for the rules set forth in the subchapter.

N.J.A.C. 5:33-4.2 provides definitions of key words and terms used in the subchapter.

N.J.A.C. 5:33-4.3 prescribes the various standard forms that must be used to record and execute mortgage escrow account transactions.

N.J.A.C. 5:33-4.4 requires that all mortgagees, servicing organizations, or property tax processing organizations, as the case may be, shall file form ME-1 (Initial Tax Authorization Notice) to initially authorize the tax collector to send the tax bill to the respective mortgagee, servicing organization, or property tax processing organization.

N.J.A.C. 5:33-4.5 establishes requirements for filing form ME-2 (Escrow Account Transaction Notice), which deals with the sale, assignment, satisfaction, or transfer of a mortgage escrow account. This section also sets forth requirements for reporting to tax collectors any charitable donations made from mortgage escrow accounts.

N.J.A.C. 5:33-4.6 requires the tax collector to include form ME-4 (Notice Regarding Sale of Municipal Lien) with any tax sale notice in instances when property taxes are paid through a mortgage escrow account.

N.J.A.C. 5:33-4.7 sets forth the procedure for requesting duplicate tax bills from the municipal tax collector and establishes a form for such requests (Form ME-3 Request for Duplicate Tax Bill).

N.J.A.C. 5:33-4.8 prescribes the maximum fees that may be charged for the issuance of duplicate tax bills, as well as the procedures for the mortgagee, servicing organization, or property tax processing organizations to request the Director of the Division of Local Government Services to review municipal charges for a duplicate copy of a tax bill.

N.J.A.C. 5:33-4.9 sets forth the procedures for a tax collector to seek review by the Director of the Division of Local Government Services of a request to deliver a mortgagor's tax bill to a property tax processing organization.

N.J.A.C. 5:33-4.10 specifies that in the event of any conflicts between the rules prescribed in Subchapter 4 and the Federal Real Estate Settlement Practices Act (RESPA), 12 U.S.C. §§ 2601 et seq., the provisions of RESPA shall prevail.

EDUCATION

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STATE BOARD OF EDUCATION

Notice of Readoption

Career and Technical Education Programs and Standards

Readoption: N.J.A.C. 6A:19

Authority: N.J.S.A. 18A:4-15, 18A:4-25, 18A:40-12.1 and 12.2, 18A:54-1 et seq., 18A:59-5, and 34:15C-3; 29 CFR Subpart C of Part 570; 20 U.S.C. §§ 2301 et seq.; and P.L. 115-224.

Authorized By: New Jersey State Board of Education, Lamont O. Repollet, Ed.D., Commissioner, Secretary, New Jersey State Board of Education.

Effective Date: June 5, 2020.

New Expiration Date: June 5, 2027.

Take notice that pursuant to N.J.S.A. 52:14B-5.1, the rules at N.J.A.C. 6A:19 were scheduled to expire on September 12, 2020. N.J.A.C. 6A:19 sets forth the rules for the State's system of career and technical education (CTE). The chapter affects public comprehensive high schools; county vocational school districts; charter schools; approved private schools for students with disabilities; State agencies offering CTE programs and programs of study; private postsecondary career schools; and, to a limited extent, public postsecondary providers of CTE programs.

CTE has evolved in significant ways since the chapter's last readoption on September 12, 2013. More and more, New Jersey schools and school districts are offering programs in high skill, high wage sectors, through innovative models, including pre-apprenticeship, dual enrollment, and work-based learning that lead to industry-valued credentials or college credits while still in high school. In addition, the Department has focused on supporting school districts to ensure all New Jersey students have equitable access to high-quality CTE in order to achieve academic and career success aligned to economic opportunities. During the last year, the Department worked vigorously on the State's Perkins V plan, which was adopted by the State Board of Education on April 1, 2020.

At the present time, the Department proposes to readopt Chapter 19 without amendments to ensure the chapter does not expire. The Department seeks to ensure that any amendments to the chapter reflect and align with the State's Perkins V plan, which is pending approval by the U.S. Department of Education. Amendments also require interagency collaboration and engagement with CTE stakeholders. Therefore, the Department will, at this time, readopt the chapter without amendments. The Department anticipates presenting amendments to the State Board of Education by the end of 2020.

The readoption of the chapter will be effective upon submission of this notice of readoption to the Office of Administrative Law after the approval of the State Board of Education. However, the Department invites stakeholders and the public to provide input regarding the existing rules at N.J.A.C. 6A:19 and possible amendments for the next rulemaking by emailing the Department at chapter19@doe.nj.gov.

A summary of the readopted rules follows:

Subchapter 1. General Provisions

N.J.A.C. 6A:19-1.1 Purpose and scope

This section sets forth the purpose and scope of the chapter, which is to establish a State system of CTE. Under this system, students are provided opportunities to prepare for a wide range of careers through rigorous academic and technical curricula and programs.

N.J.A.C. 6A:19-1.2 Definitions

This section defines the terms used in the first six subchapters. Throughout Chapter 19, the term "vocational-technical education" is still used under certain circumstances when required by statute.