

RESOLUTION
of the
BOROUGH OF NEW PROVIDENCE
Resolution No. 2016-196

Council Meeting Date: 6-13-2016

Date Adopted: 6-13-2016

TITLE: RESOLUTION AUTHORIZING WAIVING INTEREST ON TAXES
RECEIVABLE

Councilperson Muñoz submitted the following resolution, which was duly seconded by Councilperson Galluccio.

WHEREAS, the Tax Collector advised that the following individual has requested a waiver of interest and penalties pursuant to N.J.S.A. 54:5; and

WHEREAS, the 2016 1st and 2nd quarter taxes for Block 185 Lot 23.03, 705 Central Avenue, Unit 3 were billed based on the 2015 assessment of \$1,000,000; and

WHEREAS, Block 185 Lot 23.03 was subdivided in January 2016 into lots 23.03, 23.04, 23.05, 23.06, and 23.07 and the 2016 assessment for lot 23.03 was reduced to \$564,400; and

WHEREAS, the new owner of lot 23.03, Ahmed M El Mahdawy of The Hady Family Limited Partnership, has requested the 2016 billing be adjusted to reflect the new assessment and 2016 interest on 1st and 2nd quarter taxes be waived;

WHEREAS, the Tax Collector will waive interest and penalties on 1st and 2nd quarter taxes after the 2016 tax rate has been determined;

Owner	Property Location	Block	Lot	Amount	Effective Date
The Hady Family Limited Partnership	705 Central Avenue, Unit 3	185	23.03	Interest to be determined	After 2016 tax rate is determined

NOW, THEREFORE, BE IT RESOLVED by the Borough Council of the Borough of New Providence, that the Tax Collector is hereby authorized to waive interest and penalties for the 1st and 2nd quarter 2016 taxes after the 2016 tax rate is determined.

APPROVED, this 13th day of June, 2016.

RECORD OF VOTE

	AYE	NAY	ABSENT	NOT VOTING
GALLUCCIO	X			
GENNARO	X			
KAPNER	X			
MADDEN			X	
MUÑOZ	X			
ROBINSON	X			
MORGAN			TO BREAK COUNCIL TIE VOTE	

I hereby certify that the above resolution was adopted at a meeting of the Borough Council held on the 13th day of June, 2016.

Wendi B. Barry, Borough Clerk

FBC: - TAX ACCOUNT INQUIRY -

Account : 193103 Block/Lot/Qual: 185 23.03 + Prp.Cd
 Owner Name: THE HADY FAMILY LIMITED PARTNERSHIP Bank Code : 4B
 Location : 705 CENTRAL AV 3 2014 Yr.Tax: 45,640.00 Deduc
 Size /Land: 2.290 AC / 154,400 2015 Yr.Tax: 46,340.00 0
 Value/Impr: 564,400 / 410,000 -PAY DATE-

+-----[8/01/16]-----+

YR.Q.TYP	-BILLED-	-PAID-	-TAX DUE-	-INTEREST-	BALANCE	TRAN.DATE
15.1.R	11,410.00	11,410.00	0.00	0.00	0.00	2/06/15
15.2.R	11,410.00	11,410.00	0.00	0.00	0.00	6/08/15
15.3.R	11,760.00	11,760.00	0.00	0.00	0.00	8/04/15
15.4.R	11,760.00	11,760.00	0.00	0.00	0.00	1/19/16
15.4.YP	725.27	725.27	0.00	0.00	0.00	1/19/16
16.1.R	11,585.00	5.82	11,579.18	967.13	12,546.31	1/19/16
16.2.R	11,585.00	0.00	11,585.00	521.33	12,106.33	5/01/16

- LAST OPEN BALANCE -

DATA OK(Pg;Ad;Dt;Hs;Lg;+/-;N;E) [23,164.18 1,488.46 24,652.64]Cur Due
 SEWER FEE -FRC ELECTRICAL [NOTES EXIST] [All Chgs]
 NO MORTGAGE COMPANY
 [Cont'd Delq: No Since 0000 0 Acum.Prnc.Paid: 0.00]

PRESS (Q)uery, (N)ext, (P)revious, (A)dd, (U)pdate, (R)emove, (O)utput (B)ye
(S)creen ** 1: prc file**

-----Screen:1
of 5

2011 Block: 185 Lot: 23.03 Q: M
Prior Block: 185 Lot: 23.02 Q: 01/12/16
Loc: 705 CENTRAL AVE UNIT 3 11 NEW PROVIDENCE, NJ 07974
Owner: THE HADY FAMILY LIMITED PARTNERSHIP Billing Code: 00000
Street: P.O.BOX 141810 Account Num: 193103
Town: GAINESVILLE, FL Zip: 32614 Mtg Acct#:

Class: 4B Deductions: S 0 V 0 W 0 R 0 D 0 Own: 0 Amt: 0

SaleD: 10/22/15 Bk: 6090 Pg: 593 Price: 1137312 NU#: 6 Cd: R: 49
.63

	2016	2017	Taxes	2015	Exemptions/Abatements	
Land:	154400	154400	(57):	46340.00	1	0
Impr:	410000	410000		2016	2	0
	0	0	(58):	0.00	3	0 NetCalc
Net:	564400	564400	Partial:		4	0 0

Land Dim: 2.290 AC Class4Cd: 331 YrBlt: 1965 Neigh:
Bldg Desc: 1SB BldgClass: SF: 12925
Addl Lots: Type/Use: PrcSF 0 UCd: 20
Style: Zone: Map:

PRESS(Q)uery, (N)ext, (P)revious, (A)dd, (U)pdate, (R)emove, (O)utput (B)ye
(S)creen

** 1: prc file**

-----History Screen-----Screen:3
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Block: 185 Lot: 23.03 Qual:
Property Loc: 705 CENTRAL AVE UNIT 3 2016 Tax List
Owner: THE HADY FAMILY LIMITED PARTNERSHIP Land: 154400 Exemp Code:
Street: P.O.BOX 141810 Impr: 410000 Amt:
0
Town: GAINESVILLE, FL 32614 NET: 564400
Class: 4B Addl Lots:

Block: 185 Lot: 23.03 Qual:
Property Loc: 705 CENTRAL AVE UNIT 3 2015 Tax List
Owner: NEW PROVIDENCE 2008,LLC C/O PETRUS Land: 400000 Exemp Code:
Street: 1 NY PLAZA 34TH FLOOR Impr: 600000 Amt:
0
Town: NEW YORK NY 10004 NET: 1000000
Class: 4B Addl Lots:

Block: 185 Lot: 23.03 Qual:
Property Loc: 705 CENTRAL AVE UNIT 3 2014 Tax List
Owner: 705 CENTRAL AVENUE NP, LLC Land: 250000 Exemp Code:
Street: 705 CENTRAL AVE UNIT 3 Impr: 425000 Amt:
0
Town: NEW PROVIDENCE, NJ 07974 NET: 675000
Class: 4B Addl Lots:

Brinkofski, Denise

From: Dale Dettmer <ddettmer@krasnydettmer.com>
Sent: Wednesday, May 25, 2016 9:32 AM
To: Brinkofski, Denise; Ahmed M El Mahdawy; Flynn, Bryan - Tax Assessor
Cc: Fawzia El Mahdawy; Chris Boyman (cdblaw@comcast.net); Schuster, Juanita (Juanita.Schuster@fnf.com)
Subject: RE: 705 central ave 2015 past due taxes 185-23.03

Dear Ms. Brinkofski,

I am counsel to FRC.

The tax proration and breakout was handled by the closing agent, not by the attorneys. FRC received assurances from the closing agent that the real estate tax assessments were being appropriately handled.

I would request that you take such steps as may be necessary to correct the assessment, including without thereby limiting, presentation to the mayor and city council.

Thank you.

Dale Dettmer

Krasny and Dettmer
304 S. Harbor City Blvd., Suite 201
Melbourne, FL 32901
Voice: 321.723.5646
Facsimile: 321.768.1147
Email: ddettmer@krasnydettmer.com
Website: www.krasnydettmer.com

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-----Original Message-----

From: Brinkofski, Denise [<mailto:dbrinkofski@newprov.org>]
Sent: Wednesday, May 25, 2016 9:20 AM
To: Ahmed M El Mahdawy; Flynn, Bryan - Tax Assessor
Cc: Dale Dettmer; Fawzia El Mahdawy

Subject: RE: 705 central ave 2015 past due taxes 185-23.03

Good morning Mr. Ahmed,

I was out of the office last week so I apologize you were not able to reach me. The tax assessor, Bryan, and I have been discussing your situation and completely understand your frustration. Unfortunately when the attorneys for both parties handled the closing for the subdivision they used the same block and lot for your portion of the property as the original larger lot. According to NJ state statute the billing for the 1st and 2nd quarters are based on one half the prior year's taxes which is why they are so high. The assessed value for your property was correctly reduced for 2016 from \$1,000,000 to \$564,400, so after the 2016 tax rate is determined (sometime in July) the adjustment will be made to the 3rd and 4th quarters. Therefore the amount due for August and November will be significantly less as Bryan stated below. I am not able to waive interest or change billing for the 1st and 2nd quarter since this would violate the state of NJ statute and I do not have the authority to do this. The only way to possibly change the 1st and 2nd quarter billing would be to ask the New Providence Mayor and Council for permission to make an exception in this one instance.

I can ask them for permission to change the billing as follows:

$\$564,400 \times \0.04634 (2015 tax rate) = \$26,154.30 (estimated total year taxes)

1st qtr due 2/1/16 - \$6,538.57

2nd qtr due 5/1/16 - \$6,538.57

Let me know if you would like me to ask the Mayor and Council, on your behalf, to change billing and waive interest for your property. They may need to pass a Resolution at the next council meeting of June 13th since any tax matters of this kind need a formal Resolution, and our auditors will need to see this as proof of why billing was changed and more importantly that interest was waived.

Regards,

Denise

Denise Brinkofski
Tax Collector
Deputy Borough Clerk
Deputy Registrar

Borough of New Providence
360 Elkwood Avenue
New Providence, NJ 07974
908-665-1400 x210
908-665-9272 fax

-----Original Message-----

From: Ahmed M El Mahdawy [mailto:aelmahdawy@gmail.com]
Sent: Tuesday, May 24, 2016 3:53 PM
To: Flynn, Bryan - Tax Assessor
Cc: ddettmer@krasnydettmer.com; Fawzia El Mahdawy; Brinkofski, Denise
Subject: Re: 705 central ave 2015 past due taxes

Dear Bryan

Since we received the tax bill in error assuming we are the owner of all , I called you and tried unsuccessfully to reach the tax collector .

I still believe it should be corrected for all and penalties on us should be removed .

WE DON't own it all and never did own it all !!!

Please bill the original owners and we will wait to see if the load will corrected and correct billing is received then will pay .

Regards

Ahmed M El Mahdawy

> On May 24, 2016, at 10:05, Flynn, Bryan - Tax Assessor <bflynn@newprov.org> wrote:

>

> Hi Ahmed,

>

> In reviewing your closing statement, the pro-rated taxes addressed at the closing seem to cover the last quarter of 2015; unless I am over-looking something.

>

> I believe where there is a misunderstanding is in the estimated billing for 2016. The Tax Collector sends estimated bills for the first two quarters of the year based on the property assessments filed by the October 10th submission of value changes from my office the year prior. Being that the sub-division was not processed until after, the collector's system does not recognize the sub-division, from which the Assessment for your property changes and new Lots are created.

>

> Here is 2016 valuation of the property after the sub-division:

>

> 185-23.03: 2015 Assessment = 1,000,000

>

> Sub-Division & 2016 Property Assessments

>

> Block-Lot Property SFLA Assessment Equalized Value (@52.04% Ratio) Estimated RETX (based on 2015 Tax Rate \$4.634)

>

> 185-23.02	Unit2	15,687	675,000	1,297,079	\$31,279.50
> 185-23.07	Unit2A	11,479	522,200	1,003,459	\$24,198.75
> 185-23.03	Unit3	12,925	564,400	1,084,550	\$26,154.30
> 185-23.04	Unit4	7,964	400,200	769,024	\$18,545.27
> 185-23.05	Unit5	1,024	32,200	61,875	\$1,492.15
> 185-23.06	Unit6	1,135	33,500	64,374	\$1,552.39

>

>

> Being that lots 23.04-23.07 did not exist October 10, 2015, they have not yet received tax bills for 2016. However, when the tax rate is struck in the 3rd quarter of 2016, the Collector will bill them for the entire year based on the Rate x 2016 Assessments - the entire annual property tax bill will then be split between the last 2 quarters of billing for 2016.

>

> Since the Unit you had purchased (Lot 23.03 - Unit 3) was in existence October 2015, the Collector has billed the estimated 1st 2-quarters of 2016 based on the property's assessment as of October 2015. (185-23.03 2015 Assessment = 1,000,000 x \$4.634 rate = \$46,340 - Estimated 2016 Property Tax)

>

> However, the 2016 assessment of 185-23.03 is 564,400. Thus the estimated annual tax will be \$26,135.76. When the 2016 tax rate is struck, reconciled tax bills will be sent. Though you are being sent estimated bills for the 1st 2-quarters,

any overpayment will be reflected in the reconciled 3rd quarter billing. For example, I believe the billing has been as follows thus far:

>
> Q1 - 11,579.18
> Q2 - 11,585.00
> TOTAL: 23,164.18

>
> If paid as billed, the last two quarters will be adjusted as follows:

>
> **estimated @ 2015 rate \$4.634**
>
> 2016 RETX = 26,154.30
> PAID -23,164.18
> Remain. 2,990.12

>
> Estimated 2016 Q3 Bill 1,495.06
> Estimated 2016 Q4 Bill 1,495.06

>
> As for the lots that had not yet received 2016 tax bills, the billing will be as follows

>
> Example: 185-23.07 (2016 Assessment = 522,200, Estimated 2016 RETX @ rate \$4.634 = \$24,198.75)

> Q1: \$0
> Q2: \$0
> Q3: \$12,099.38
> Q4: \$12,099.38

>
> I hope this gives some clarity to the situation. Please let me know if you have any further questions. As mentioned, though, regarding the contract you'd e-mailed; it seems that the agreement struck at the closing cover the Property tax from 10/23/15 - 12/31/15 = Q4 2015.

>
> I should be in the office for a couple hours more today, if you need to discuss.

>
> Regards,

>
> Bryan

>
>
> -----Original Message-----
> From: Ahmed M El Mahdawy [mailto:aelmahdawy@gmail.com]

> Sent: Friday, May 20, 2016 9:48 AM
> To: ddettmer@krasnydettmer.com
> Cc: Flynn, Bryan - Tax Assessor; Fawzia El Mahdawy
> Subject: 705 central ave 2015 past due taxes

>
> Hi Dale
> The closing statement did not clear past due taxes unpaid by previous owner .
>
> They billed us for an erroneous amount which I tried to understand .
> Finally the tax assessor gave me our evaluation \$564,400 at current tax rate of .04634

>
>
> Our Q1 and Q2 taxes are \$6539 each quarter

- >
- > Please check why the old balance was not accounted for and paid by previous owner .
- >
- > I am copying Brian Flynn the tax assessor .
- >
- > Best Regards
- >
- > Ahmed M El Mahdawy
- >