

**TAX COLLECTORS & TREASURERS ASSOCIATION OF BERGEN COUNTY**  
**Regular Meeting - 1<sup>st</sup> Qtr March 9, 2017**  
**At Season's in Washington Township**

The Regular Meeting of the Bergen County Tax Collectors and Treasurers Association was called to order at 12:14 P.M. by President Chris Assenheimer who welcomed everyone and led the group in the Pledge of Allegiance.

The invocation was given by Patti Miller.

Everyone introduced themselves at each table.

Minutes of the September & December 2016 regular meetings were approved as presented.

***Communications/Bills:***

Thank you was received from Josephine's Garden for donations.

***President's Report (Chris Assenheimer)***

- Reminder to RSVP to meetings so an accurate head count can be taken.
- May 16 – May 18, 2017 is the TCTA of NJ Spring Conference
- April 17, 2017 Scholarship applications are due
- Information will be sent for dinner during the Spring Conference
- Looking for ideas for collections for charities at our meetings
- Paramus spoke about audit from the IRS for 1099s

***COMMITTEE REPORTS:***

***Membership –***

Liz Villano presented a gift to the Pearl the Deputy Collector of Mahwah as she is retiring May 30, 2017

***Legislative Reports (Gennaro Rotella)***

Assembly, No.3566 – Requires annual notice of assessment on property to contain bolded notice of filing for appeal.

Assembly, No.4162 - Requires Director of Taxation to examine feasibility of centralized property tax information system to verify property taxes paid by homestead property tax reimbursement claimants.

Assembly, No.3223 – Requires the DLGS to include certain property tax information on division's web page.

Assembly, No.3534 – Permits authorities and local units operating water supply or sewerage facilities to waive, reduce, or defer sewerage and water service fees for deployed military personnel.

Assembly, No. 2628 - Allows certain National Guard and United States Reserve members on federal active duty to receive temporary suspension of payment of interest on mortgage loans.

Assembly, No.4448 – Revises certain real property assessment practices and requirements

Assembly, No.4537 – Extends eligibility for veterans' property tax deduction and disabled veterans' property tax exemption to members of the US Armed Forces assigned to the rescue and recovery mission at the World Trade Center between 9/11/2001 and 5/30/2002.

Assembly, No.4578 – Prohibits certain property from receiving property tax exemption or abatement.

Assembly, No.4607 – Requires municipality to pay to Bd of Ed 5% of annual service charge collected under “Long Term Tax Exemption Law” under certain circumstance.

Assembly, No.4608 –Converts senior freeze reimbursement into a credit applied to tax bill

Assembly, No.4635 - Maintains eligibility for veteran’s property tax deduction when property is transferred to trust.

Assembly, No.4084- Expands eligibility to receive the veteran’s property tax deduction and veteran’s property tax exemption

Senate, No.3016 – Permits short-term exemption for certain improvements to dwellings damaged by natural disaster.

Senate, No.3039 – Requires advance notice of water supply discontinuations for non-payment of local government water bills; requires offer of a payment plan in certain circumstances.

***Treasurer’s Report (Conchita Parker)***

Opening Balance TD Bank 11/30/2016	\$ 20,752.24
Deposits (Dec. – Feb)	\$ 5,890.00
Expenses (Dec- Feb)	<u>\$(13,470.06)</u>
Ending Balance TD Bank 2/28/2017	<b>\$ 20,031.15</b>

The Treasurer’s Report was accepted as presented.

**New Business**

**Pat Turin:**

HRC file was delivered to the State yesterday. There was a delay in getting the information from the Governor. If you changed vendors since early January please notify the state. Bills should be on the street no later than April 1, 2017. Please make sure to reconcile what your vendors send you to the Homestead Rebate Folder provided on the Tax Collector’s Document Library.

PD5 due March 1, 2017 and disallowance must be sent by April 1, 2017. The reports should be available the first week in May.

Any questions please direct them to Margie at 609-984-4185. Pat thanked the TCTA of Bergen County. She is very appreciative of the hospitality and attendance at the seminars.

**Program:**

Francis Ballak, Esq. of Goldenberg, Mackler, Sayegh, Mintz, Pfefffer, Bonchi, & Gill spoke about the Tax Processes in Bankruptcy. The outline and informational handouts are attached.

The meeting was adjourned at 1:27 pm.

Next regular meeting will be June 29, 2017.

Respectfully submitted,

*Jodi DeMaio*

Recording Secretary

BCTCTA - Treasurers Report  
 First Quarter Luncheon at Season's Rest.  
 March 9, 2017

Beginning Bal Nov. 30,2016 \$20,752.24

Deposits In

Date	Amount	Description
Dec. 19, 2016	\$1,980.00	
Dec. 19, 2016	\$1,390.00	
Jan.23, 2017	\$545.00	
Feb,28,2017	\$1,450.00	
Feb. 28, 2017	\$525.00	
<b>Total</b>	<b>\$5,890.00</b>	

Date	Expenditure	Check #	Amount	Description
Dec. 8, 2016	Seasons Restaurant Holiday Lunch	1166	\$4,405.37	Holiday Party
Dec. 8, 2016	Seasons Restaurant	1167	\$350.00	Entertainment Bob Van Dyke
Dec. 8, 2016	Seasons Restaurant	1168	\$350.00	Gratuity
Dec. 8, 2016	TD Bank X'mas Gift cards	0	\$355.00	X'mas & retiremnet Gift cards
Dec. 8, 2016	Flowers	1169	\$120.86	Dorothy Seik Reimbursements
Feb. 6, 2017	Seasons Deposit on meetings	1170	\$800.00	Deposit meetings
Feb.8, 2017	Gift card	0	\$35.00	Pat Turin ret. Gift card
Jan. 27, 2017	Marrioit Braes rest.	1171	\$144.86	Exec. BRd. Breakfast
<b>Total Expenses</b>			<b>\$6,561.09</b>	
Ending balance 02/28/2017			\$20,031.15	
Difference			<u>\$ (13,470.06)</u>	

Outstanding

Date	Expenditure	Check #	Amount	Description
	10/27/2015 Lewy Body Dementia Assoc.	1137	\$ 50.00	Donation
<b>Total</b>			<u>\$ 50.00</u>	

Statement Balance February 28,2017	\$20,081.15
Less: Oustanding	\$ 50.00
<b>Total</b>	<u>\$ 20,031.15</u>



Goldenberg, Mackler, Sayegh, Mintz, Pfeffer, Bonchi, & Gill, P.C.

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## **TAX PROCESSES IN BANKRUPTCY**

### **I: Different Types of Bankruptcy Filings and Basics**

The three most commonly filed are:

- **Chapter 13-** This is the most common filing. For individuals who have regular income. They propose a plan in which the non-exempt income is paid into the plan to pay debts over the course of 36-60 months.
- **Chapter 7-** For businesses and individuals who do not qualify for a chapter 13. A trustee reviews all assets and debts and determines if sufficient equity exist in any assets to be liquidated in order to pay debts.
- **Chapter 11-** This is where a debtor- can be business or individual is going to propose a plan reorganization. Complex and expensive.

**Definitions:** See Handout.

### **II: At Time of filing/notice of Bankruptcy- Protecting your Rights**

- Be aware of and understand the Automatic Stay
- Access Pacer and obtain all filed documents.
  - Overview of Pacer- See Handout.
  - Review of Petition and Plan. Should be able to determine how the debtor has listed the claim- type (secured/unsecured/priority/ect) and the amount of claim.
  - Consider filing a proof of claim. If applicable, ensure filed before Deadlines.
    - See Handout
  - Evaluate for consideration of filing objections to Plan, motions for stay relief, motions to dismiss, motions for adequate protection, ect.
  - Most common reasons for filing Motion for Relief or to Dismiss
    - Lack of Equity in Property
    - Failure to pay post-petition taxes
    - Default under proposed plan
  - Being Proactive and Continual Monitoring of Active Bankruptcy

**Disclaimer: This handout is for informational purposes only, and should not be construed as legal advice. Contact your city solicitor or us if you have any questions or need further information.**

**III: Adversary Actions and Other Legal Issues Impacting Taxes and Tax Liens**

- Adversary Actions are a lawsuit which is brought within the bankruptcy.
  - We have seen a recent increase in adversary actions involving tax liens, assertions of Fraudulent Conveyance and Fraudulent Preference theories.
    - Clawback action- Where a debtor tries to clawback monies paid by the debtor under various theories (Transvantage case)
    - Attacking final judgments- BFP, McGrath, Burley and Princeton Office Park.
  
- Post-Petition Interest issues-
  - Avoid Interest on Interest when calculating amount in Proof of Claim
  - Bankruptcy Court can not cram down post petition interest rate.
  - While not applicable to a municipal held certificate- premium should not be included in proof of claim (Princeton Office Park issue)

**TAX COLLECTORS AND TREASURES**  
**ASSOCIATION OF NEW JERSEY**

Common Bankruptcy Terms

1. Bankruptcy - A property owner has filed a Bankruptcy petition in the United States Bankruptcy Court.
2. Chapter 7 Bankruptcy - It is a type of Bankruptcy which means that the debtor is liquidating its assets.
3. Chapter 11 Bankruptcy - It is the type of Bankruptcy wherein the debtor, usually a business, will attempt to reorganize and pay some debts back over a period of up to 60 months.
4. Chapter 13 Bankruptcy - It is a type of Bankruptcy wherein the debtor is usually an individual or married couple will attempt to reorganize and pay some debts over a period of time up to 60 months.
5. Debtor - Refers to the individual or entity that filed Bankruptcy.
6. Creditor - Refers to the individual or entity that is owed money. (i.e. - if unpaid taxes are to a municipality it is a creditor in the Bankruptcy).
7. Automatic Stay - Refers to Section 362 of the Bankruptcy Code. When a debtor files a Bankruptcy Petition, Federal law automatically issues a stay of any action to collect monies. The stay is similar to a Court Order preventing any further acts to collect said debt. (i.e. - A tax collector cannot sell a tax lien on the debtor's property at a public tax sale).
8. Relief from Automatic Stay - A creditor obtains permission (usually in the form of a Court Order) from a United States Bankruptcy Court Judge allowing the creditor to proceed against the debtor to collect the debt.
9. Bankruptcy Plan - In a Chapter 11 or 13 Bankruptcy, it is a statement of how the debtor intends to pay the various creditors.
10. Confirmation of Bankruptcy Plan - This term refers to the approval of a Bankruptcy Plan by a United States Bankruptcy Court.

11. Dismissal of Bankruptcy - The Bankruptcy petition filed by the debtor is dismissed by the Bankruptcy Court. This removes the Automatic Stay.
12. Pre-Petition - This refers to the time period prior to filing the Bankruptcy petition.
13. Post-Petition - This refers to the time period after the Bankruptcy petition is filed.
14. Violation of Automatic Stay - The illegal act of a creditor attempting to enforce a lien or collect a debt without first obtaining permission from the Bankruptcy Court.
15. Supremacy Clause - In this context it means that Orders of a Federal Bankruptcy Court will usually supersede State Law or State Court Orders
16. Proof of Claim - A document that a creditor will file with a Bankruptcy Court to state the amount that is owed to a creditor such as a municipality.
17. Objection - A document filed with a Bankruptcy Court that tells the Court that the creditor objects to the proposed Bankruptcy Plan or relief. (If no objection is filed in a timely manner, the creditor may lose its rights or be bound by a plan even if the creditor would have prevailed under Bankruptcy Law if a timely objection was filed).
18. Trustee - This refers to an individual appointed by the Bankruptcy Court that monitors or otherwise reviews a Bankruptcy for the benefit of the Court, the creditors or the debtor. The trustee will monitor and many times collect and make payments under an approved plan.
19. Prospective Relief - If a debtor abuses the Bankruptcy Law usually by filing several Bankruptcies and allowing same to be dismissed, a Bankruptcy Court may grant a creditor prospective relief which means that future Bankruptcies by that debtor will not involve the Automatic Stay on the creditor.
20. Secured Creditor - It is a creditor such as a tax lien holder or mortgagee that has its debt second by an asset such as real estate.
21. Unsecured Creditor - It is a creditor that has debt that is not a lien on a particular asset. A common example is credit card debt.
22. Abandonment - In a Chapter 7 Bankruptcy, it is the act of the Trustee indicating that the asset will go back to the debtor. This usually means the Automatic Stay is removed.

23. Cramdown - In a reorganization setting, commonly refers to the reduction of interest from the statutory rate to a lesser rate. It may also refer to the reduction of a lien if the property is over secured.