



# State of New Jersey

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## **Follow Up Report - Management of Tax-Exempt Properties Improved in Three Communities**

TRENTON - Three communities that in 2013 were found to have lax controls and oversight of tax-exempt properties have significantly improved their operations in this area, a follow-up review by the Office of the State Comptroller (OSC) has found.

The improved oversight will ensure that only eligible properties in Bridgeton, Middletown and Paterson receive tax-exempt status.

"These communities have improved their oversight and management of tax-exempt properties. Because local taxpayers incur higher tax rates when municipal tax rolls are reduced through the exemption of properties, we encourage all municipalities to review their practices with respect to these exemptions," State Comptroller Philip James Degnan said.

In its 2013 audit, OSC found that a total of eleven properties valued at more than \$2 million had been incorrectly granted tax-exempt status. The properties have since been returned to the tax rolls, generating about \$50,000 in annual tax revenue.

The follow-up review conducted by OSC also found that all but one of the 15 recommendations proposed to improve oversight and management of tax-exempt and tax-abated properties have been fully or partially implemented.

All OSC reports, including the 2013 audit, are available on the office's website, [www.nj.gov/comptroller](http://www.nj.gov/comptroller).

OSC is an independent State agency that conducts audits and investigations of government agencies throughout New Jersey. The

Office also reviews certain government contracts and works to detect and prevent Medicaid Fraud. The Office strives to enhance the efficiency and transparency of government and to ensure that public funds are spent effectively and efficiently.

Suspected government mismanagement or fraud can be reported to OSC by calling 1-855-OSC-TIPS (1-855-672-8477) or via email at [comptrollertips@osc.nj.gov](mailto:comptrollertips@osc.nj.gov) .

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