

ASSEMBLY, No. 565

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman ROBERT AUTH
District 39 (Bergen and Passaic)

Co-Sponsored by:

Assemblyman DiMaio

SYNOPSIS

Establishes New Jersey Property Tax Relief and Education Empowerment Program to provide both property tax relief to citizens and educational grants to certain students enrolled in nonpublic schools.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 10/8/2020)

1 **AN ACT** establishing the New Jersey Property Tax Relief and
2 Education Empowerment Program and supplementing Title 18A
3 of the New Jersey Statutes.

4
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

7
8 1. This act shall be known and may be cited as the “New Jersey
9 Property Tax Relief and Education Empowerment Act.”

10
11 2. As used in this act:

12 “Department” means the Department of Education.

13 “Education empowerment grant” means a grant from a resident
14 school district which is provided directly to a participating
15 nonpublic school on behalf of an eligible student through the
16 direction of the eligible student’s parent or guardian. The education
17 empowerment grant shall equal the lesser of the participating
18 nonpublic school’s per pupil cost to educate and fees or 50 percent
19 of the resident school district’s annual spending per pupil prorated
20 based upon the number of days remaining in the school year. The
21 education empowerment grant is the entitlement of the eligible
22 student under the supervision of the eligible student’s parent or
23 guardian and not the entitlement or subsidy of any participating
24 nonpublic school. A participating nonpublic school may not refund,
25 rebate, or share a student’s education empowerment grant with the
26 eligible student’s parent or guardian or with the eligible student in
27 any manner. An eligible student’s education empowerment grant
28 may only be used for educational purposes. Upon the transfer of a
29 student from the resident school district to a nonpublic school, the
30 resident school district shall manage the average annual spending
31 per student as follows: one half of the amount of the annual
32 spending per pupil, or less depending on the amount of the
33 nonpublic school yearly per pupil cost to educate and fees, shall be
34 maintained in the school district budget for allocation to the
35 education empowerment grant; and of the remaining portion of the
36 amount of the annual spending per pupil, the amount derived from
37 State aid shall be dedicated to the purposes of the “Homestead
38 Property Tax Credit Act,” P.L.1990, c.61 (C.54:4-8.57 et seq.), with
39 the amount collected within each school district to be disbursed by
40 the State to all eligible recipients residing within that school
41 district, and the amount derived from local property taxes shall be
42 deducted from the school district’s budget in the subsequent school
43 year. The reduction realized in the school district’s budget shall be
44 utilized by the local municipalities to lower the local school tax
45 burden in the subsequent school year.

46 “Eligible student” means a student: from a household with an
47 income that does not exceed 3.70 times the official federal poverty
48 threshold for a family of four for the calendar year preceding the

1 school year for which the education empowerment grant is initially
2 distributed; who was not enrolled in a nonpublic school in the
3 school year preceding the school year for which the education
4 empowerment grant is initially distributed; who attended a public
5 school for at least 100 school days in the school year preceding the
6 school year for which the education empowerment grant is initially
7 distributed; who is not classified as eligible for special education
8 programs and services pursuant to chapter 46 of Title 18A of the
9 New Jersey Statutes; and who is a New Jersey resident and eligible
10 to enroll in the resident school district in a grade kindergarten
11 through 12.

12 “Household income” means income as defined for the purposes
13 of determining eligibility for a free or reduced price lunch pursuant
14 to the National School Lunch Program.

15 “Participating nonpublic school” means a nonpublic school that
16 provides education to students in grades kindergarten through 12, or
17 any combination thereof, and complies with the program
18 requirements.

19 “Program” means the New Jersey Property Tax Relief and
20 Education Empowerment Program established pursuant to section 3
21 of this act.

22 “Resident school district” means the school district in which the
23 eligible student resides.
24

25 3. a. The Department of Education shall oversee the
26 implementation and execution of the New Jersey Property Tax
27 Relief and Education Empowerment Program.

28 b. All nonpublic schools intending to participate in the program
29 shall file an application with the Department of Education. The
30 application shall include an agreement on the part of the nonpublic
31 school to maintain safety and educational standards.

32 c. Under the program, an eligible student shall qualify for an
33 education empowerment grant to enroll in a participating nonpublic
34 school provided that:

35 (1) the parent or guardian has applied to a participating
36 nonpublic school for the admission of the eligible student; and

37 (2) the nonpublic school has accepted the eligible student for
38 admission and provided the parent or guardian of the student with
39 an official notice of acceptance.

40 d. The parent or guardian of an eligible student who wishes to
41 participate in the program shall apply to a participating nonpublic
42 school either in person or on-line. The participating nonpublic
43 school may be located anywhere in the State. The participating
44 nonpublic school application process shall require the parent or
45 guardian to provide it with verifiable information to support the
46 student’s eligibility for an education empowerment grant. If the
47 participating nonpublic school accepts the eligible student, it shall
48 issue an official acceptance notice to the parent or guardian of the

1 eligible student which shall include the amount of the annual per
2 pupil cost to educate and fees and the expected education
3 empowerment grant under the program. If the participating
4 nonpublic school rejects the application, a reason for rejecting the
5 student shall be provided by the nonpublic school.

6 e. The parent or guardian of an eligible student who is accepted
7 for admission to a participating nonpublic school shall apply to the
8 resident school district for the education empowerment grant and
9 provide the following: the official acceptance notice from the
10 participating nonpublic school; and information to support the
11 student's eligibility for the education empowerment grant. The
12 resident school district shall immediately assign a school district
13 employee to process the application for an education empowerment
14 grant. The school district employee shall contact the parent or
15 guardian to verify the information to support the student's
16 eligibility for the education empowerment grant. Upon the
17 verification of the information, the resident school district shall
18 disburse the funds for the education empowerment grant to the
19 participating nonpublic school. Disbursement of the funds shall be
20 made to the participating nonpublic school within 10 business days
21 of the first day of the student's attendance at the nonpublic school.

22
23 4. a. The resident school district shall provide public notice of
24 the number of eligible students from the district participating in the
25 program no later than September 15 of each school year.

26 b. The portion of the amount of the annual spending per pupil
27 derived from State aid which is required to be allocated to the
28 purposes of the "Homestead Property Tax Credit Act," P.L.1990,
29 c.61 (C.54:4-8.57 et seq.), shall be used for no other purpose than to
30 increase funding for the homestead benefit program. The increased
31 funding for the homestead benefit program shall be applied to
32 increase that tax credit benefit on a dollar-for-dollar basis and on a
33 localized basis. The contribution to the homestead benefit program
34 as a result of the provisions of this act shall be transparent and shall
35 be itemized in the local tax bill. The portion of the amount of the
36 annual spending per pupil derived from local property taxes which
37 is required to be used reduce the school district budget shall be
38 reflected in the school district budget in the subsequent school year.
39 The savings shall be returned to the residents and businesses in the
40 municipality or municipalities in which the school district is located
41 through a reduction in their school tax rate.

42 c. The savings identified in subsection b. of this section shall
43 be reflected as a separate line item in the school budget and
44 individual tax bills.

45
46 5. A student shall remain eligible for an education
47 empowerment grant unless the student enrolls in a public school,

1 graduates from high school, no longer resides in the State, or
2 reaches the age of 21, whichever occurs first.

3
4 6. The parent or guardian of an eligible student receiving an
5 education empowerment grant may at any time remove the student
6 from the participating nonpublic school. In the event that a parent
7 or guardian transfers the student to another participating nonpublic
8 school, the amount of the education empowerment grant shall be
9 prorated between the participating nonpublic schools according to
10 the period of attendance at each nonpublic school.

11
12 7. a. A resident school district shall annually provide
13 notification of the availability of the program to the parents and
14 guardians of students enrolled in the district.

15 b. In the event that a participating nonpublic school admits an
16 eligible student, the resident school district shall provide the
17 participating nonpublic school with a copy of the student's records.

18 c. The resident school district shall provide transportation to
19 and from the participating nonpublic school in accordance within
20 the provisions of N.J.S.18A:39-1, to eligible students participating
21 in the program.

22
23 8. a. To be eligible to participate in the program, a nonpublic
24 school shall be located in the State, and the chief school
25 administrator of the nonpublic school shall apply to the department
26 and demonstrate that the nonpublic school:

27 (1) complies with all applicable health and safety codes;

28 (2) does not discriminate in admissions on the basis of race,
29 color, national origin, or religion;

30 (3) does not teach or advocate any type of domestic subversion,
31 including the violent overthrow of the government of the United
32 States; and

33 (4) requires criminal background checks on school employees in
34 accordance with procedures established pursuant to P.L.1989, c.229
35 (C.18A:6-4.13 et seq.).

36 b. To be eligible to participate in the program, the nonpublic
37 school shall also demonstrate its financial viability as follows:

38 (1) the nonpublic school shall provide the department with a
39 financial information report completed by a certified public
40 accountant that complies with the standards adopted by the State
41 Board of Education pursuant to section 11 of this act. The scope of
42 the report shall be limited to those records that the department
43 determines to be necessary to make grant payments to the school;
44 and

45 (2) the certified public accountant certifies that the report is free
46 of material misstatements.

47 c. Except as otherwise provided pursuant to the provisions of

1 this act, the department may not regulate the education programs of
2 a participating nonpublic school. The establishment of the program
3 and the participation of nonpublic schools in the program shall not
4 be construed to impose additional regulatory requirements on a
5 nonpublic school beyond those reasonably necessary to enforce the
6 provisions of this act. A participating nonpublic school shall be
7 provided with maximum flexibility in providing for the educational
8 needs of students participating in the program.

9 d. The department shall list the participating nonpublic schools
10 on the department's Internet website and update the list on the first
11 Monday of each month. The list shall include the address and
12 contact information for each participating nonpublic school,
13 including the Internet website of the school. A participating
14 nonpublic school shall notify the department in writing if it ceases
15 operation or determines to end its participation in the program.

16
17 9. In order to ensure academic accountability, a participating
18 nonpublic school shall report on a regular basis to the parent or
19 guardian of an eligible student on the student's academic progress.

20
21 10. The department may bar a nonpublic school from
22 participating in the program if the department determines that the
23 nonpublic school has failed to meet the eligibility requirements or
24 has not met its educational responsibilities to eligible students or
25 their parents or guardians. In the event that the department
26 determines that a nonpublic school is no longer permitted to
27 participate in the program, the department shall immediately notify
28 the parents or guardians of the eligible students enrolled in the
29 nonpublic school.

30
31 11. The State Board of Education shall adopt rules and
32 regulations necessary for the implementation of the provisions of
33 this act in accordance with the "Administrative Procedure Act,"
34 P.L.1968, c.410 (C.52:14B-1 et seq.), including but not limited to:

35 a. the eligibility and participation of nonpublic schools,
36 including timelines that maximize the participation of students and
37 nonpublic schools; and

38 b. the calculation and distribution of education empowerment
39 grants to eligible students.

40
41 12. This act shall take effect in the second full school year after
42 the date of enactment.

43 44 45 STATEMENT

46
47 This bill directs the Department of Education to oversee the

1 implementation and execution of the New Jersey Property Tax
2 Relief and Education Empowerment Program. Under the program,
3 an eligible student will qualify for an education empowerment grant
4 to enroll in a participating nonpublic school. The grant will equal
5 the lesser of the participating nonpublic school's per pupil cost to
6 educate and fees or 50 percent of the annual spending per pupil of
7 the district in which the eligible student resides. To be eligible, the
8 student must be from a household with an income that does not
9 exceed 3.70 times the federal poverty threshold for a family of four
10 for the school year preceding the school year for which the
11 education empowerment grant is initially distributed. The 2018
12 federal poverty guidelines provide that for a family of four the
13 poverty threshold is \$25,100, so the income limit in the bill would
14 be \$92,870. In addition the student must be eligible for enrollment
15 in the resident school district in grades kindergarten through 12,
16 must not be classified as eligible for special education programs and
17 services pursuant to chapter 46 of Title 18A of the New Jersey
18 Statutes, must not have been enrolled in a nonpublic school in the
19 school year preceding the school year for which the education
20 empowerment grant is initially distributed, and must have attended
21 a public school for at least 100 days in the school year preceding
22 the school year for which the education empowerment grant is
23 initially distributed.

24 A parent of a student who is accepted for admission to a
25 participating nonpublic school must apply to the school district in
26 which the student resides for the grant. Upon verification of certain
27 information, the district will disburse the grant amount directly to
28 the participating nonpublic school.

29 Savings generated from the program must be applied to property
30 tax relief within the resident school district in the form of a reduced
31 local school tax burden and a dollar-for-dollar increase in the
32 homestead benefit program.

33 A nonpublic school that wishes to participate in the program
34 must apply to the department and demonstrate that it:

- 35 • complies with all applicable health and safety codes;
- 36 • does not discriminate in admissions on the basis of race,
37 color, national origin, or religion;
- 38 • does not teach or advocate any type of domestic
39 subversion; and
- 40 • requires criminal background checks on school
41 employees.

42 In order to participate in the program, a nonpublic school must
43 also demonstrate its financial viability by providing the department
44 a financial information report completed by a certified public
45 accountant who must also certify that the report is free of material
46 misstatements.

47 The bill stipulates that the amount of any reduction in school

- 1 district budgets as a result of the bill's implementation must be used
- 2 exclusively and for no other purpose than the reduction of the
- 3 school tax levy portion of the property tax burden on individual
- 4 taxpayers and business entities.