ASSEMBLY, No. 4420

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED JULY 20, 2020

Sponsored by:
Assemblywoman VALERIE VAINIERI HUTTLE
District 37 (Bergen)
Assemblywoman CAROL A. MURPHY
District 7 (Burlington)
Assemblyman DANIEL R. BENSON
District 14 (Mercer and Middlesex)

Co-Sponsored by:
Assemblymen Dancer, Verrelli, Johnson, McClellan and Simonsen

SYNOPSIS

Makes Fiscal Year 2020 supplemental appropriations of $125.575 million for Homestead Benefit – Calendar Year 2020 Program and Senior and Disabled Citizens' Property Tax Freeze.

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 5/5/2021)

A SUPPLEMENT TO the Fiscal Year 2020 appropriations act, P.L.2019, c.150.

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

1. Notwithstanding section 2 of P.L.2020, c.43, and in addition to the amounts appropriated under P.L.2019, c.150, there is appropriated out of the Property Tax Relief Fund the following sums for the purposes specified:

82 DEPARTMENT OF THE TREASURY

70 Government Direction, Management, and Control

75 State Subsidies and Financial Aid

GRANTS-IN-AID

33-2077	Homestead Exemptions	$125,575,000
	Total Grants-in-Aid Appropriation, State Subsidies and Financial Aid	$125,575,000

Grants-in-Aid:

33	Homestead Benefit – Calendar Year 2020 Program (PTRF) .	($70,650,000)
33	Senior and Disabled Citizens' Property Tax Freeze (PTRF) …….	($54,925,000)

The amount hereinabove appropriated for the Homestead Benefit - Calendar Year 2020 Program shall be available to provide homestead benefits only to eligible homeowners pursuant to the provisions of section 3 of P.L.1990, c.61 (C.54:4-8.59) as amended by P.L.2004, c.40 and by P.L.2007, c.62, as may be amended from time to time except that, notwithstanding the provisions of such laws to the contrary: (i) residents who are 65 years of age or older at the close of the tax year, or residents who are allowed to claim a personal deduction as a blind or disabled taxpayer pursuant to subsection b. of N.J.S.54A:3-1, with (a) gross income in excess of $150,000 for tax year 2018 are excluded from the program; (b) gross income in excess of $100,000 but not in excess of $150,000 for tax year 2018 are eligible for a benefit in the amount of 1.25% of the first $10,000 property taxes paid; and (c) gross income not in excess of $100,000 for tax year 2018 are eligible for a benefit in the amount of 2.5% of the first $10,000 property taxes paid; (ii) residents who are not 65 years of age or older at the close of the tax year, or residents who are not allowed to claim a personal deduction as a blind or disabled taxpayer pursuant to subsection b. of N.J.S.54A:3-1, with (a) gross income in excess of $75,000 for tax year 2018 are excluded from the program; (b) gross income in excess of $50,000 but not in excess of $75,000 for tax

year 2018 are eligible for a benefit in the amount of 1.67% of the first $10,000 of property taxes paid; and (c) gross income not in excess of $50,000 for tax year 2018 are eligible for a benefit in the amount of 2.5% of the first $10,000 property taxes paid. These benefits listed pursuant to this paragraph will be calculated based on the 2006 property tax amounts assessed or as would have been assessed on the October 1, 2018 principal residents of eligible applicants. The total homestead benefit provided to an eligible applicant in a given State fiscal year shall not exceed the homestead rebate amount paid to such eligible applicant for tax year 2006, absent a change in the applicant's filing characteristics. The 2018 homestead rebate shall be paid on or before September 30, subject to the approval of the Director of the Division of Budget and Accounting. If the amount hereinabove appropriated for the Homestead Benefit Program – Calendar Year 2020 is not sufficient, there are appropriated from the Property Tax Relief Fund such additional amounts as may be required to provide such homestead benefits, subject to the approval of the Director of the Division of Budget and Accounting.

2. This act shall take effect immediately.

STATEMENT

This bill makes Fiscal Year 2020 supplemental appropriations totaling $125.575 million to support two property tax relief programs during the Fiscal Year 2020 extension period (July 1, 2020 through September 30, 2020).

The bill appropriates $70.650 million for the Homestead Benefit – Calendar Year 2020 Program and $54.925 million for the Senior and Disabled Citizens' Property Tax Freeze. The amounts provided by the bill represent one quarter of the funding originally provided for the Homestead Benefit Program and Senior and Disabled Citizens' Property Tax Freeze by the Fiscal Year 2020 Appropriations Act (P.L.2019, c.150). The bill also includes a modified version of a language provision in P.L.2019, c.150, which established the parameters of the Homestead Benefit Program.

P.L.2019, c.150 appropriated $282.6 million for the Homestead Benefit Program and $219.7 million for the Senior and Disabled Citizens' Property Tax Freeze. P.L.2020, c.43, which amended and supplemented the Fiscal Year 2020 Appropriations Act to effectuate the extension of the fiscal year through September 30, 2020, did not authorize additional appropriations for the Homestead Benefit Program and Senior and Disabled Citizens' Property Tax Freeze programs. Additionally, funds appropriated by P.L.2019, c.150 for the Homestead Benefit Program and Senior and Disabled Citizens'

Property Tax Freeze have been de-appropriated and lapsed to the State's undesignated fund balance pursuant to P.L.2020, c.43.

The Homestead Benefit Program provides credits directly against eligible homeowners' property tax bills. The Senior and Disabled Citizens' Property Tax Freeze provides eligible seniors and citizens with disabilities with a property tax reimbursement to compensate for increases in property taxes.