

**ASSEMBLY CONCURRENT
RESOLUTION No. 27**

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman SEAN T. KEAN

District 30 (Monmouth and Ocean)

Co-Sponsored by:

Assemblymen Space, Thomson and Wirths

SYNOPSIS

Freezes property taxes on primary residences of homeowners 65 years of age and over.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



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

1 **A CONCURRENT RESOLUTION** proposing to amend Article VIII,
2 Section I, paragraph 1 of the New Jersey Constitution.

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4 **BE IT RESOLVED** *by the General Assembly of the State of New*
5 *Jersey (the Senate concurring):*

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7 1. The following proposed amendment to the Constitution of the
8 State of New Jersey is agreed to:

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10 PROPOSED AMENDMENT

11
12 Amend Article VIII, Section I, paragraph 1 to read as follows:

13 1. (a) Property shall be assessed for taxation under general laws
14 and by uniform rules. All real property assessed and taxed locally
15 or by the State for allotment and payment to taxing districts shall be
16 assessed according to the same standard of value, except as
17 otherwise permitted herein, and such real property shall be taxed at
18 the general tax rate of the taxing district in which the property is
19 situated, for the use of such taxing district.

20 (b) The Legislature shall enact laws to provide that the value of
21 land, not less than 5 acres in area, which is determined by the
22 assessing officer of the taxing jurisdiction to be actively devoted to
23 agricultural or horticultural use and to have been so devoted for at
24 least the 2 successive years immediately preceding the tax year in
25 issue, shall, for local tax purposes, on application of the owner, be
26 that value which such land has for agricultural or horticultural use.

27 Any such laws shall provide that when land which has been
28 valued in this manner for local tax purposes is applied to a use other
29 than for agriculture or horticulture it shall be subject to additional
30 taxes in an amount equal to the difference, if any, between the taxes
31 paid or payable on the basis of the valuation and the assessment
32 authorized hereunder and the taxes that would have been paid or
33 payable had the land been valued and assessed as otherwise
34 provided in this Constitution, in the current year and in such of the
35 tax years immediately preceding, not in excess of 2 such years in
36 which the land was valued as herein authorized.

37 Such laws shall also provide for the equalization of assessments
38 of land valued in accordance with the provisions hereof and for the
39 assessment and collection of any additional taxes levied thereupon
40 and shall include such other provisions as shall be necessary to
41 carry out the provisions of this amendment.

42 (c) Commencing with tax year 2018, when the owner of real
43 property used as the owner's primary residence attains the age of
44 65, or when a person who is 65 years of age or over acquires real
45 property as that person's primary residence, the amount of taxes due

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is
 not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 and payable on the real property for that tax year, without regard to
2 any exemptions, deductions, rebates, credits, special assessments, or
3 interest and penalties on delinquent taxes or fees provided by law,
4 shall be stabilized, on annual application of the owner to the local
5 tax collector. The amount of taxes billed for each subsequent tax
6 year, or portion of a tax year, in which the real property continues
7 to be used as the owner's primary residence shall be the stabilized
8 amount or prorated portion of that amount, as the case may be. A
9 subsequent owner shall not be entitled to continue to receive a tax
10 bill for the stabilized amount, except in the case of a surviving
11 spouse who continues to reside in the real property as their primary
12 residence and who is 65 years of age or older at the time that the
13 spouse dies or ceases to use the real property as their primary
14 residence. The amount of taxes due and payable for the 2018 tax
15 year, without regard to any exemptions, deductions, rebates, credits,
16 special assessments, or interest and penalties on delinquent taxes or
17 fees provided by law, on real property used as the primary residence
18 of an owner who attained 65 years of age prior to January 1, 2018
19 shall be stabilized, on annual application of that owner to the local
20 tax collector, and shall be the amount of taxes billed to the owner
21 for each subsequent tax year, or portion thereof on a prorated basis,
22 that the owner continues to occupy the real property as their
23 primary residence. In the case of ownership by spouses, if at least
24 one of the owners is 65 years of age or older and that owner uses
25 the real property as their primary residence, the tax bill on the real
26 property shall be stabilized as provided pursuant to this
27 subparagraph. An owner who receives a stabilized tax bill pursuant
28 to this subparagraph shall be entitled to any further exemptions,
29 deductions, rebates, or credits, and shall be liable for any special
30 assessments or interest and penalties on delinquent taxes or fees, as
31 provided by law.

32 A stabilized tax bill received by an owner pursuant to this
33 subparagraph shall not transfer to any other real property
34 subsequently acquired by that owner, except in the case of a
35 comparable structure built on the same real property to replace a
36 structure that has been wholly or substantially damaged or
37 destroyed as a result of a disaster or other catastrophic event. An
38 improvement made to real property that is already subject to the
39 stabilized tax billing provisions of this subparagraph shall be
40 subject to regular assessment valuation and shall be taxed at the
41 general tax rate of the taxing district in the year of completion.
42 Thereafter, the amount of taxes due and payable with respect to the
43 value of the improvement shall be stabilized at the amount that
44 would have been due and payable if the improvement had been
45 taxed for the entire year in which it was completed.

46 For the purposes of this subparagraph, the amount of taxes due
47 and payable on real property includes taxes attributable to a
48 residential unit in a cooperative or mutual housing corporation and

1 site fees attributable to a site in a mobile home park equipped for
2 the installation of a manufactured or mobile home.

3 (cf: Art. VIII, Sec. I, par. 1; amended effective November 5, 1963)

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5 2. When this proposed amendment to the Constitution is finally
6 agreed to pursuant to Article IX, paragraph 1 of the Constitution, it
7 shall be submitted to the people at the next general election
8 occurring more than three months after the final agreement and
9 shall be published at least once in at least one newspaper of each
10 county designated by the President of the Senate, the Speaker of the
11 General Assembly and the Secretary of State, not less than three
12 months prior to the general election.

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14 3. This proposed amendment to the Constitution shall be
15 submitted to the people at that election in the following manner and
16 form:

17 There shall be printed on each official ballot to be used at the
18 general election, the following:

19 a. In every municipality in which voting machines are not used,
20 a legend which shall immediately precede the question as follows:

21 If you favor the proposition printed below make a cross (X), plus
22 (+), or check (✓) in the square opposite the word "Yes." If you are
23 opposed thereto make a cross (X), plus (+) or check (✓) in the
24 square opposite the word "No."

25 b. In every municipality the following question:

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	YES	<p>CONSTITUTIONAL AMENDMENT TO FREEZE PROPERTY TAXES ON THE HOMES OF PERSONS 65 AND OVER</p> <p>Do you approve amending the Constitution to freeze property taxes on the homes of owners 65 years of age and over?</p> <p>This amendment would entitle homeowners 65 years of age and over to have their property taxes frozen. The home would have to be the primary residence of the owner. The owner would have to apply each year for the property tax freeze.</p>
	NO	<p>INTERPRETIVE STATEMENT</p> <p>This amendment would entitle homeowners 65 years of age and over to have their property taxes frozen. The home would have to be the primary residence of the owner. The owner would have to apply each year for the property tax freeze. The owner would not be subject to any income requirements. An owner currently reimbursed for property tax increases would no longer have to pay those increases in the first place.</p> <p>This property tax freeze would take effect the year the owner turns 65 years of age or the year a person 65 years of age or over acquires the home. If an owner is already 65 years of age or over, the freeze would take effect the year after the amendment is approved.</p> <p>The property tax freeze would continue if the property is transferred to a surviving spouse who is 65 years of age or over. The freeze would end when the property is transferred to any other owner.</p>

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STATEMENT

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This amendment to the State Constitution would freeze property
taxes on the primary residences of all homeowners who are 65 years
of age and over. Under the amendment, this property tax freeze
would take effect once the homeowner turns 65 years of age or once

1 the home is acquired by a person 65 years of age or over. If a
2 homeowner is already 65 years of age or over at the start of the next
3 year after the amendment is approved, the property tax freeze would
4 take effect that year. A homeowner would have to apply each year
5 to continue the property tax freeze. In the case of ownership by
6 spouses, only one of the owners would have to meet the age and
7 residency requirements in order to apply for the property tax freeze.

8 Currently, homeowners 65 years of age and over are responsible
9 for paying property tax increases on their primary residences. Some
10 of these homeowners are eligible for a reimbursement of their
11 increased property tax payments. Homeowners are eligible for this
12 reimbursement if they meet certain income requirements. This
13 amendment would allow all homeowners 65 and over, regardless of
14 income, to have their property taxes frozen, and would mean that
15 homeowners currently receiving reimbursements for property tax
16 increases no longer have to pay future increases up front.

17 The property tax freeze under this amendment would continue if
18 the property is transferred to a surviving spouse who is 65 years of
19 age or over, so long as the surviving spouse uses the property as
20 their primary residence. The freeze would end upon the transfer of
21 the property to any other owner or upon the property no longer
22 being used as the primary residence of a qualifying owner, at which
23 point the property would be subject to ordinary assessment and
24 property taxation.