

**ASSEMBLY CONCURRENT
RESOLUTION No. 58**

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman LOUIS D. GREENWALD

District 6 (Burlington and Camden)

Assemblyman SEAN T. KEAN

District 30 (Monmouth and Ocean)

SYNOPSIS

Proposes constitutional amendment to limit assessment of homestead real property.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



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

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

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

10
11 PROPOSED AMENDMENT

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

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

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

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

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

45 (c) The Legislature shall enact laws providing a homestead

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 property assessment limitation. Any law so enacted shall require
 2 that real property used as the principal residence of the owners
 3 thereof shall be assessed at its true value as of October 1 next
 4 following the approval by the voters of this proposed amendment
 5 for use in the next succeeding tax year, and shall be reassessed
 6 annually thereafter according to law. Any laws so enacted also
 7 shall limit the annual increase resulting from an annual
 8 reassessment to the lower of either three percent of the assessed
 9 value of the property for the prior year, or the percentage change in
 10 the Consumer Price Index for All Urban Consumers, or successor
 11 reports, for the preceding calendar year as reported by the United
 12 States Department of Labor, Bureau of Labor Statistics, whichever
 13 is less; except that homestead real property shall be assessed at its
 14 true value as of October 1 of the year following a change of
 15 ownership, as defined by the Legislature, for use in the next
 16 succeeding tax year. Thereafter, any annual increase in the assessed
 17 value of the property shall be subject to the limitations required by
 18 this subparagraph.

19 For the purposes of this subparagraph, "owner" shall also include
 20 a person who holds a life estate, life tenancy, or lifetime right to
 21 that real property, or a lease for a period of 99 years, and shall
 22 further also include the owner of the residential portion of a mixed-
 23 use property.

24 (cf: Article VIII, Section I, paragraph 1 amended effective
 25 December 5, 1963)
 26

27 2. When this proposed amendment to the Constitution is finally
 28 agreed to pursuant to Article IX, paragraph 1 of the Constitution, it
 29 shall be submitted to the people at the next general election
 30 occurring more than three months after the final agreement and
 31 shall be published at least once in at least one newspaper of each
 32 county designated by the President of the Senate, the Speaker of the
 33 General Assembly and the Attorney General, not less than three
 34 months prior to the general election.
 35

36 3. This proposed amendment to the Constitution shall be
 37 submitted to the people at that election in the following manner and
 38 form:

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

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

43 If you favor the proposition printed below make a cross (X), plus
 44 (+), or check (✓) in the square opposite the word "Yes." If you are
 45 opposed thereto make a cross (X), plus (+) or check (✓) in the
 46 square opposite the word "No."

47 b. In every municipality the following question:

1

	YES	<p>HOMESTEAD PROPERTY ASSESSMENT LIMITATION</p> <p>Do you approve the proposed amendment to the State Constitution that would provide a homestead property assessment limitation for residential real property used as the principal residence of the owners thereof, whereby such residential real property shall be reassessed annually for use in the next succeeding tax year, and any increase in assessment for the next tax year shall not exceed the lower of either three percent of the assessed value of the property for the prior year or the percentage change in the Consumer Price Index for All Urban Consumers for the preceding calendar year, until such time as the property changes ownership?</p>
	NO	<p>INTERPRETIVE STATEMENT</p> <p>This proposed constitutional amendment would require the Legislature to place a limit on annual assessment increases for homestead real property. Homestead real property, which is the principal residence of the owners of the property, would be assessed at its market value as of the October 1 next following the approval by the voters of this proposed amendment, and would then be reassessed annually thereafter according to law. Any annual increase in the property's assessment would be limited to 3% or the Consumer Price Index rate, whichever is lower. When a principal residence changes ownership, the property once again would be assessed at its market value as of October 1 of the year following the change of ownership, for use in the next succeeding tax year. Thereafter, any limitations in the annual increase in the assessed value of the property would once again apply until the next time the property changes ownership.</p>

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STATEMENT

If approved by the voters of the State, this proposed constitutional amendment would require the Legislature to place a limit on annual assessment increases for homestead real property. Homestead real property, which is the principal residence of the owners of the property, would be assessed at true value as of October 1 next following the approval by the voters of this proposed amendment, and would then be reassessed annually in each succeeding tax year as provided by law. Any annual increase in the property's assessment would be limited to 3% or the Consumer Price Index rate, whichever is lower. When a homestead real property changes ownership, the property would be assessed at true value as of October 1 of the year following the change of ownership, for use in the next succeeding tax year. Thereafter, any limitations in the annual increase in the assessed value of the property would once again apply until the next time the property changes ownership.

Under the proposed amendment, "owner" also includes a person who holds a life estate, life tenancy, or lifetime right to that real property, or a lease for a period of 99 years, and the owner of the residential portion of a mixed-use property.