

**ASSEMBLY CONCURRENT
RESOLUTION No. 86**

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman JON M. BRAMNICK
District 21 (Morris, Somerset and Union)

Co-Sponsored by:

Assemblymen Space and Wirths

SYNOPSIS

Proposes constitutional amendment to limit assessment of homestead real property, and allow exemption on up to \$50,000 of home's value.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



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Matter underlined thus is new matter.

1 that homestead real property, used as the principal residence of the
2 owners thereof, shall be assessed at its true value as of the January
3 1 next following the approval by the voters of this proposed
4 amendment, and shall be reassessed annually on January 1. Any
5 law so enacted shall also limit any increases resulting from such
6 reassessment to the lower of either three percent of the assessed
7 value of the property for the prior year or the percentage change in
8 the Consumer Price Index for All Urban Consumers, or successor
9 reports for the preceding calendar year as reported by the United
10 States Department of Labor, Bureau of Labor Statistics, or its
11 successor agency.

12 Any law enacted under this subparagraph also shall require that
13 homestead real property shall be assessed at true value as of
14 January 1 of the year following a change of ownership, as defined
15 by the Legislature. Thereafter, any annual increase in the assessed
16 value of the property shall be subject to the limitations required by
17 this subparagraph. The limitations established by this subparagraph
18 shall not apply to an added assessment that results from an
19 improvement.

20 (cf: Article VIII, Section I, paragraph 1 amended effective
21 December 5, 1963)

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23 Amend Article VIII, Section I, paragraph 5 to read as follows:

24 5. a. The Legislature may adopt a homestead statute which
25 entitles homeowners, residential tenants and net lease residential
26 tenants to a rebate or a credit of a sum of money related to property
27 taxes paid by or allocable to them at such rates and subject to such
28 limits as may be provided by law. Such rebates or credits may
29 include a differential rebate or credit to citizens and residents who
30 are of the age of 65 or more years, or less than 65 years of age who
31 are permanently and totally disabled according to the provisions of
32 the Federal Social Security Act, or are 55 years of age or more and
33 the surviving spouse of a deceased citizen or resident of this State
34 who during his lifetime received, or who, upon the adoption of this
35 amendment and the enactment of implementing legislation, would
36 have been entitled to receive a rebate or credit related to property
37 taxes.

38 b. The Legislature shall enact laws providing: (1) a full
39 property tax exemption on the first \$25,000 of value assessed to a
40 homestead property; and (2) an exemption from all non-school
41 district property taxes on the third \$25,000 of value assessed to a
42 homestead property.

43 (cf: Article VIII, Section I, paragraph 5 amended effective
44 December 2, 1976)

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46 2. When this proposed amendment to the Constitution is finally
47 agreed to pursuant to Article IX, paragraph 1 of the Constitution, it
48 shall be submitted to the people at the next general election

1 occurring more than three months after the final agreement and
2 shall be published at least once in at least one newspaper of each
3 county designated by the President of the Senate, the Speaker of the
4 General Assembly and the Secretary of State, not less than three
5 months prior to the general election.

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7 3. This proposed amendment to the Constitution shall be
8 submitted to the people at that election in the following manner and
9 form:

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

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

14 If you favor the proposition printed below make a cross (X), plus
15 (+), or check (✓) in the square opposite the word "Yes." If you are
16 opposed thereto make a cross (X), plus (+) or check (✓) in the
17 square opposite the word "No."

18 b. In every municipality the following question:

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		<p>CONSTITUTIONAL AMENDMENT TO LIMIT CERTAIN PROPERTY ASSESSMENTS AND REQUIRE CERTAIN EXEMPTIONS</p> <p>Do you approve amending the Constitution to limit the change in the value of a person's primary home every year for property tax payments, and to allow an exemption on up to \$50,000 of assessed value?</p> <p>The value of a person's home affects their property tax bill. The value of a person's home could not increase more than three percent of the value in the last year, or the increase in the consumer price index for the last year, whichever is lower.</p> <p>The first \$25,000 of value assessed on a person's home would be property tax exempt. The third \$25,000 of value would be exempt from non-school district property taxes.</p>
	YES	

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		<p>INTERPRETIVE STATEMENT</p> <p>This amendment would require the Legislature to limit annual increases in the value of an owner's principal residence, for the calculation of property tax payments. The amendment would also require the Legislature to allow a principal residence property tax exemption on up to \$50,000 of assessed value.</p> <p>Homes would be assessed on January 1 each year. Any annual increase in a home's value would be limited to three percent of the value in the last year or the increase in the consumer price index, whichever is lower.</p> <p>When a home changes ownership, it would be valued as of January 1 of the next year. Then, the increase limits would again apply until the next time the home changes ownership.</p> <p>The first \$25,000 of a home's value would be property tax exempt. Value assessed between \$50,000 and \$75,000 would be exempt from non-school district property taxes.</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 the January 1 next following the approval by the voters of this proposed amendment, and would then be reassessed annually on each succeeding January 1. 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 January 1 of the year following the change of ownership. 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. The limitations on assessment increases established by this amendment would not apply to an added assessment that results from an improvement.

Additionally, this proposed constitutional amendment would require the Legislature to provide a homestead property tax

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1 exemption on up to \$50,000 of assessed value. Specifically, this
2 exemption would consist of (1) a full property tax exemption on the
3 first \$25,000 of value assessed to a homestead property, and (2) an
4 exemption from all non-school district property taxes on the third
5 \$25,000 of value assessed to a homestead property, meaning value
6 assessed between \$50,000 and \$75,000.