SENATE, No. 203

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:
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District 9 (Atlantic, Burlington and Ocean)
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District 6 (Burlington and Camden)

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SYNOPSIS

Requires State reimbursement to municipalities of cost of disabled veterans' total property tax exemption.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.

AN ACT concerning the disabled veterans' total property tax exemption and amending R.S.54:4-52 and supplementing chapter 4 of Title 54 of the Revised Statutes.

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

1. (New section) The State shall annually reimburse each taxing district in an amount equal to 102 percent of the amount of any disabled veterans' total property tax exemptions permitted by that taxing district in the current tax year pursuant to section 1 of P.L.1948, c.259 (C.54:4-3.30).

2. (New section) On or before June 1 of each year, each tax assessor shall certify to the county tax board the number of disabled veterans receiving the veterans' total property tax exemption provided for in section 1 of P.L.1948, c.259 (C.54:4-3.30), and the total amount of all such exemptions.

On or before June 15 of each year, each county board of taxation shall, on a form prescribed by the director, certify to the director from the tax lists certified with it for each taxing district for the current tax year the following:

a. Number of disabled veterans' total property tax exemptions allowed for the current tax year;

b. Total dollar amount of disabled veterans' total property tax exemptions allowed for the current tax year;

c. Separately, the number and dollar amount of disabled veterans' total property tax exemptions allowed or disallowed, as certified by the tax collector, from the time of certification made the previous year and prior to certification for the current year;

d. The totals for a., b., and c. above, by district and for the county as a whole.

3. (New section) For each year, each county board of taxation shall include in the table of aggregates prepared pursuant to R.S. 54:4-52 the full estimated amount of the disabled veterans' total property tax exemptions as provided for in section 1 of P.L.1948, c.259 (C.54:4-3.30), but that amount shall not be included in the total on which the tax rate is to be computed.

4. R.S.54:4-52 is amended to read as follows:

54:4-52. The county board of taxation shall, on or before May 20, or on or before May 31 in the case of a county board of taxation participating in the demonstration program established in section 4 of P.L.2013, c.15 (C.54:1-104), fill out a table of aggregates copied

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 <u>thus</u> is new matter.

from the duplicates of the several assessors and the certifications of the Director of the Division of Taxation relating to second-class railroad property, and enumerating the following items:

(1) The total number of acres and lots assessed;

(2) The value of the land assessed;

(3) The value of the improvements thereon assessed;

(4) The total value of the land and improvements assessed, including:

a. Second-class railroad property;

b. All other real property.

(5) The value of the personal property assessed, stating in separate columns:

a. Value of household goods and chattels assessed;

b. Value of farm stock and machinery assessed;

c. Value of stocks in trade, materials used in manufacture and other personal property assessed under section 54:4-11;

d. Value of all other tangible personal property used in business assessed.

(6) Deductions allowed, stated in separate columns:

a. Household goods and other exemptions under the provisions of section 54:4-3.16 of this Title;

b. Property exempted under section 54:4-3.12 of this Title.

(7) The net valuation taxable;

(8) Amounts deducted under the provisions of sections 54:4-49 and 54:4-53 of this Title or any other similar law (adjustments resulting from prior appeals);

(9) Amounts added under any of the laws mentioned in subdivision 8 of this section (like adjustments);

(10) Amounts added for equalization under the provisions of sections 54:3-17 to 54:3-19 of this Title;

(11) Amounts deducted for equalization under the provisions of sections 54:3-17 to 54:3-19 of this Title;

(12) Net valuation on which county, State and State school taxes are apportioned;

(13) The number of polls assessed;

(14) The amount of dog taxes assessed;

(15) The property exempt from taxation under the following special classifications:

a. Public school property;

b. Other school property;

c. Public property;

d. Church and charitable property;

e. Cemeteries and graveyards;

f. Other exemptions not included in foregoing classifications subdivided showing exemptions of real property and exemptions of personal property;

g. <u>The number of disabled veterans receiving the disabled veterans' total property tax exemption provided for in section 1 of</u>

P.L.1948, c.259 (C.54:4-3.30) and the total amount of all such exemptions;

h. The total amount of exempt property.

(16) State road tax;

(17) State school tax;

(18) County taxes apportioned, exclusive of bank stock taxes;

(19) Local taxes to be raised, exclusive of bank stock taxes, subdivided as follows:

a. District school tax;

b. Other local taxes.

(20) Total amount of miscellaneous revenues, including surplus revenue appropriated, for the support of the taxing district budget, which, for a municipality operating under the State fiscal year, shall be the amounts for the fiscal year ending June 30 of the year in which the table is prepared;

(21) District court taxes;

(22) Library tax;

(23) Bank stock taxes due taxing district;

(24) Tax rate for local taxing purposes to be known as general tax rate to apply per $100.00 of valuation, which general tax rate shall be rounded up to the nearest one-half penny after receipt in any year of a municipal resolution submitted to the county tax board on or before April 1 of that tax year requesting that the general tax rate be rounded up to the nearest one-half penny.

For municipalities operating under the State fiscal year, the amount for local municipal purposes shall be the amount as certified pursuant to section 16 of P.L.1994, c.72 (C.40A:4-12.1). The table shall also include a footnote showing the amount raised by taxation for municipal purposes as shown in the State fiscal year budget ending June 30 of the year the table is prepared.

In addition to the above such other matters may be added, or such changes in the foregoing items may be made, as may from time to time be directed by the Director of the Division of Taxation. The forms for filling out tables of aggregates shall be prescribed by the director and sent by him to the county treasurers of the several counties to be by them transmitted to the county board of taxation. Such table of aggregates shall be correctly added by columns and shall be signed by the members of the county board of taxation and shall within three days thereafter be transmitted to the county treasurer who shall file the same and forthwith cause it to be printed in its entirety and shall transmit certified copy of same to the Director of the Division of Taxation, the State Auditor, the Director of the Division of Local Government Services in the Department of Community Affairs, the clerk of the board of freeholders, and the clerk of each municipality in the county.

(cf: P.L.2013. c.15, s.16)

5. (New section) The Director of the Division of Taxation in the Department of the Treasury may inspect all records in the office of the collector and the assessor with respect to claims and allowances for the disabled veterans' total property tax exemption provided for in section 1 of P.L.1948, c.259 (C.54:4-3.30).

6. (New section) The Director of the Division of Taxation in the Department of the Treasury is authorized to adopt regulations pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) necessary to effectuate the provisions of P.L. , c. (C.) (now pending before the Legislature as this bill).

7. This act shall take effect immediately.

STATEMENT

This bill would require the State to annually reimburse each municipality for the cost of complying with the State mandate of affording disabled veterans with a total exemption from property taxation. The bill would require the State to cover the cost of the actual taxes exempted plus the administrative costs incurred by municipalities in connection with the reimbursement program.

Under current law, each municipality must individually make up for any lost revenue resulting from a parcel of property being exempted from property taxation because of its ownership by a disabled veteran. This often results in an increase in taxes to other property taxpayers in the municipality or a reduction in municipal services. Because the number of qualifying disabled veterans varies from municipality to municipality, compliance with the State policy to exempt disabled veterans' property taxes impacts upon some municipalities more greatly than on others resulting in inequity. This bill would put an end to that inequity by having the State reimburse each municipality for the cost of complying with the State mandate of affording disabled veterans with a total exemption from property taxation.