SENATE, No. 1505

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 13, 2020

Sponsored by:
Senator NILSA CRUZ-PEREZ
District 5 (Camden and Gloucester)
Senator BRIAN P. STACK
District 33 (Hudson)

SYNOPSIS

Extends veterans' property tax exemption to tenant shareholders in cooperatives and mutual housing corporations.

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 2/24/2020)

AN ACT extending the veterans' property tax exemption to certain veterans and amending, and supplementing P.L.1948, c.259.

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

1. Section 4 of P.L.1948, c.259 (C.54:4-3.33) is amended to read as follows:

4. "Dwelling house," as used in **[**this act**]** P.L.1948, c.259 (C.54:4-3.30 et seq.) , shall mean any one-family building or structure or any unit of a horizontal property regime established pursuant to the "Horizontal Property Act," P.L.1963, c.168 (C.46:8A-1 et seq.) or any unit of a condominium property established pursuant to the "Condominium Act," P.L.1969, c.257 (C.46:8B-1 et seq.) owned and occupied by a claimant as his legal residence in this State, or any unit in a cooperative as defined in "The Cooperative Recording Act of New Jersey," P.L.1987, c.381 (C.46:8D-1 et seq.), or a mutual housing corporation as defined in section 2 of P.L.1990, c.61 (C.54:4-8.58), which is occupied by a claimant who is a tenant shareholder in that cooperative or mutual housing corporation as the claimant's legal residence in this State, or where a multiple-family building or structure is owned by a claimant, then that portion thereof which is occupied by the claimant as his legal residence in this State, and includes any outhouses or appurtenances belonging thereto or usually enjoyed therewith.
(cf: P.L.1977, c.293, s.1)

2. (New section) For the purposes of P.L.1948, c.259, (C.54:4-3.30 et seq.) a tenant shareholder in a cooperative or mutual housing corporation shall be entitled to an exemption from taxation under that act only to the extent of his proportionate share of the taxes assessed against the real property of the corporation or any other entity holding title to that real property. The Director of the Division of Taxation in the Department of the Treasury shall promulgate regulations, in accordance with the "Administrative Procedure Act", P.L.1968, c.410 (C.52:14B-1 et seq.) to: require that the application for the exemption shall include the name and address of the location of the property and the amount of real property taxes attributed to the cooperative unit or mutual housing residential unit; and to ensure that the disabled veteran or surviving spouse, as the case may be, is the sole beneficiary of the disabled veterans' property tax exemption provided by P.L.1948, c.259 (C.54:4-3.30 et seq.).

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.

3. This act shall take effect January 1 next following enactment.

STATEMENT

This bill extends the complete exemption from property taxes for totally disabled veterans and their surviving spouses to residents of cooperative or mutual housing corporations. Current law exempts disabled veterans or their surviving spouses who own and reside in a single-family home, a portion of a multi-family home, a unit in a condominium or an apartment in a horizontal property regime.

This bill also clarifies that the extension of this exemption applies only to a unit in a cooperative or mutual housing corporation which is the legal residence in this State of a disabled veteran tenant shareholder or the veteran's surviving spouse.

The bill requires the Director of the Division of Taxation to promulgate regulations that require that the application for the exemption includes the name and address of the location of the property and the amount of real property taxes attributed to the cooperative unit or mutual housing residential unit and ensure that the disabled veteran or surviving spouse is the sole beneficiary of the exemption. A cooperative or mutual housing corporation actually pays the property tax; the veteran or the surviving spouse, as a tenant shareholder, indirectly pays a portion of the property tax through a monthly fee. The regulations will help ensure that the taxpaying entity passes along the entire amount of the tax savings to the veteran or surviving spouse.