

SENATE, No. 2783

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED AUGUST 3, 2020

Sponsored by:

Senator MICHAEL L. TESTA, JR.

District 1 (Atlantic, Cape May and Cumberland)

SYNOPSIS

Makes Fiscal Year 2020 supplemental appropriations of \$125.575 million for Homestead Benefit – Calendar Year 2020 Program and Senior and Disabled Citizens' Property Tax Freeze.

CURRENT VERSION OF TEXT

As introduced.



1 **A SUPPLEMENT TO** the Fiscal Year 2020 appropriations act,
2 P.L.2019, c.150.

3
4 **BE IT ENACTED** by the Senate and the General Assembly of the
5 State of New Jersey:

6
7 1. Notwithstanding section 2 of P.L.2020, c.43, and in addition
8 to the amounts appropriated under P.L.2019, c.150, there is
9 appropriated out of the Property Tax Relief Fund the following
10 sums for the purposes specified:

11

82 DEPARTMENT OF THE TREASURY
70 Government Direction, Management, and Control
75 State Subsidies and Financial Aid
GRANTS-IN-AID

33-2077	Homestead Exemptions	\$125,575,000
Total Grants-in-Aid Appropriation,		
	State Subsidies and Financial Aid	<u>\$125,575,000</u>

Grants-in-Aid:

- 33 Homestead Benefit –
Calendar Year 2020 Program (PTRF)
..... (\$70,650,000)
- 33 Senior and Disabled Citizens’
Property Tax Freeze (PTRF) (\$54,925,000)

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13 The amount hereinabove appropriated for the Homestead Benefit -
14 Calendar Year 2020 Program shall be available to provide
15 homestead benefits only to eligible homeowners pursuant to the
16 provisions of section 3 of P.L.1990, c.61 (C.54:4-8.59) as
17 amended by P.L.2004, c.40 and by P.L.2007, c.62, as may be
18 amended from time to time except that, notwithstanding the
19 provisions of such laws to the contrary: (i) residents who are 65
20 years of age or older at the close of the tax year, or residents who
21 are allowed to claim a personal deduction as a blind or disabled
22 taxpayer pursuant to subsection b. of N.J.S.54A:3-1, with (a)
23 gross income in excess of \$150,000 for tax year 2018 are
24 excluded from the program; (b) gross income in excess of
25 \$100,000 but not in excess of \$150,000 for tax year 2018 are
26 eligible for a benefit in the amount of 1.25% of the first \$10,000
27 property taxes paid; and (c) gross income not in excess of
28 \$100,000 for tax year 2018 are eligible for a benefit in the
29 amount of 2.5% of the first \$10,000 property taxes paid; (ii)
30 residents who are not 65 years of age or older at the close of the
31 tax year, or residents who are not allowed to claim a personal
32 deduction as a blind or disabled taxpayer pursuant to subsection
33 b. of N.J.S.54A:3-1, with (a) gross income in excess of \$75,000
34 for tax year 2018 are excluded from the program; (b) gross
35 income in excess of \$50,000 but not in excess of \$75,000 for tax

1 year 2018 are eligible for a benefit in the amount of 1.67% of the
2 first \$10,000 of property taxes paid; and (c) gross income not in
3 excess of \$50,000 for tax year 2018 are eligible for a benefit in
4 the amount of 2.5% of the first \$10,000 property taxes paid.
5 These benefits listed pursuant to this paragraph will be
6 calculated based on the 2006 property tax amounts assessed or as
7 would have been assessed on the October 1, 2018 principal
8 residents of eligible applicants. The total homestead benefit
9 provided to an eligible applicant in a given State fiscal year shall
10 not exceed the homestead rebate amount paid to such eligible
11 applicant for tax year 2006, absent a change in the applicant's
12 filing characteristics. The 2018 homestead rebate shall be paid
13 on or before September 30, subject to the approval of the
14 Director of the Division of Budget and Accounting. If the
15 amount hereinabove appropriated for the Homestead Benefit
16 Program – Calendar Year 2020 is not sufficient, there are
17 appropriated from the Property Tax Relief Fund such additional
18 amounts as may be required to provide such homestead benefits,
19 subject to the approval of the Director of the Division of Budget
20 and Accounting.

21
22 2. This act shall take effect immediately.
23
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25 STATEMENT

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27 This bill makes Fiscal Year 2020 supplemental appropriations
28 totaling \$125.575 million to support two property tax relief
29 programs during the Fiscal Year 2020 extension period (July 1,
30 2020 through September 30, 2020).

31 The bill appropriates \$70.650 million for the Homestead Benefit
32 – Calendar Year 2020 Program and \$54.925 million for the Senior
33 and Disabled Citizens' Property Tax Freeze. The amounts provided
34 by the bill represent one quarter of the funding originally provided
35 for the Homestead Benefit Program and Senior and Disabled
36 Citizens' Property Tax Freeze by the Fiscal Year 2020
37 Appropriations Act (P.L.2019, c.150). The bill also includes a
38 modified version of a language provision in P.L.2019, c.150, which
39 established the parameters of the Homestead Benefit Program.

40 P.L.2019, c.150 appropriated \$282.6 million for the Homestead
41 Benefit Program and \$219.7 million for the Senior and Disabled
42 Citizens' Property Tax Freeze. P.L.2020, c.43, which amended and
43 supplemented the Fiscal Year 2020 Appropriations Act to effectuate
44 the extension of the fiscal year through September 30, 2020, did not
45 authorize additional appropriations for the Homestead Benefit
46 Program and Senior and Disabled Citizens' Property Tax Freeze
47 programs. Additionally, funds appropriated by P.L.2019, c.150 for
48 the Homestead Benefit Program and Senior and Disabled Citizens'

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1 Property Tax Freeze have been de-appropriated and lapsed to the
2 State's undesignated fund balance pursuant to P.L.2020, c.43.

3 The Homestead Benefit Program provides credits directly against
4 eligible homeowners' property tax bills. The Senior and Disabled
5 Citizens' Property Tax Freeze provides eligible seniors and citizens
6 with disabilities with a property tax reimbursement to compensate
7 for increases in property taxes.