

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 566

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 13, 2020

The Senate Community and Urban Affairs Committee reports favorably Senate Bill No. 566, with committee amendments.

As amended, this bill revises the criteria for establishing a claimant's base year under the homestead property tax reimbursement program, which is commonly known as the "Senior Freeze" program.

The Senior Freeze program provides property tax reimbursements to eligible claimants based on the difference between the amount of property taxes paid in the claimant's current year and base year (i.e., the first year of participation in the program). Under current law, when an eligible claimant moves within the State from one primary residence to another, the claimant's base year is required to be reset beginning in the second full tax year following the move.

The bill instead provides that when an eligible claimant moves into a residence that was constructed before the establishment of the claimant's base year, then the claimant would continue to maintain the same base year, except that the reimbursement would be based on the property taxes assessed on the claimant's new residence during that base year. However, if an eligible claimant moves into a residence that first became taxable after the claimant's initial base year, then the claimant's base year would be the first full tax year following the construction of that residence.

This bill also provides that an eligible claimant would continue to qualify for a reimbursement immediately following the move from one principal residence to another so long as the move occurs after the first full tax year following the date of enactment.

This bill was pre-filed for introduction in the 2020-2021 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

COMMITTEE AMENDMENTS:

The committee amendments provide that an eligible claimant would continue to qualify for a homestead property tax reimbursement immediately following the move from one principal residence to another so long as the move occurs after the first full tax year following the date of enactment. As introduced, the bill would have conferred immediate eligibility to any eligible claimant who moved residences after January 1, 2013.