

SENATE, No. 1372

STATE OF NEW JERSEY

INTRODUCED JUNE 24, 1996

By Senators **CARDINALE** and **KOSCO**

1 AN ACT providing property tax relief for certain senior citizens and
2 supplementing Title 54 of the Revised Statutes.

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

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7 1. This act shall be known and may be cited as the "Senior Citizen
8 Property Tax Relief Act."

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10 2. The Legislature finds and declares that:

11 a. Taxes assessed and levied against real property account for
12 approximately forty percent of the tax revenues raised in this State
13 each year, with a great deal of the resultant burden falling on
14 homeowners, a burden which is particularly onerous for senior citizens
15 of this State;

16 b. Many senior citizens are bearing an increasingly unfair share of
17 the property tax burden in that they live on fixed incomes which do not
18 allow them to keep pace with the growth of property taxes;

19 c. Not only do property tax increases undermine the continued
20 ability of senior citizens to meet their tax payments, but in fact
21 threaten their status as homeowners;

22 d. This burden imposed by property tax increases on senior citizens
23 is particularly unfair and inequitable given the fact that senior citizens
24 consume fewer public services than other citizens, place fewer
25 demands on local government and therefore contribute the least to the
26 need for property tax increases;

27 e. It is not in the interest of fairness, equitability or public policy
28 that senior citizens, who demand relatively little in the way of local
29 expenditures, be faced with foreclosure as a result of tax increases, the
30 need for which is generated by others, at a time in their lives when
31 they are least able to cope with the dislocations and trauma of
32 relocation;

33 f. It is therefore fitting and proper and a valid public policy of this
34 State that senior citizens be exempted from further property tax
35 increases.

1 3. As used in this act:

2 "Exemption" means the senior citizen's exemption from property tax
3 increases as provided in section 4 of this act.

4 "Pretax year" means the calendar year immediately preceding the "tax
5 year."

6 "Post-tax year" means the calendar year immediately following the
7 "tax year."

8 "Tax year" means the calendar year in which the general property
9 tax is due and payable.

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11 4. Every person, a citizen and resident of this State of the age of
12 65 or more years who, for a period of five years or longer, has resided
13 in a dwelling house in this State owned by him which is a constituent
14 part of his real property or has resided in a dwelling house owned by
15 him which is assessed as real property but which is situated on land
16 owned by another or others, shall, upon proper claim being made
17 therefor, be exempted from increases in taxes imposed pursuant to
18 chapter 4 of Title 54. Those senior citizens who are granted an
19 exemption under this act on such residences shall not be precluded
20 from receiving any other deductions or credits from such taxation to
21 which they are otherwise entitled under law.

22 Mere seasonal or temporary residence within the State, of whatever
23 duration, shall not constitute residence for the purposes of this act.
24 Absence from a residence for a period of 12 months shall be prima
25 facie evidence of abandonment of that residence.

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27 5. The surviving spouse of a deceased senior citizen of this State
28 who during his or her life received a real property tax exemption
29 pursuant to this act shall be entitled, so long as he or she shall remain
30 unmarried and a resident in the same dwelling house with respect to
31 which said exemption was granted, to the same exemption, upon the
32 same conditions, with respect to the same real property,
33 notwithstanding that the surviving spouse is under the age of 65,
34 provided that the surviving spouse was no more than 20 years younger
35 than the deceased senior citizen who received the tax exemption
36 during his or her life.

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38 6. An exemption, as provided herein, shall be allowed upon written
39 application therefor, which application shall be on a form prescribed
40 by the Director, Division of Taxation, in the Department of the
41 Treasury, and provided for the use of claimants hereunder by the
42 governing body of the municipality constituting the taxing district in
43 which the claim is to be filed, and upon approval of the application as
44 provided in this act. Each assessor may at any time inquire into the
45 right of a claimant to the continuance of a senior citizen's exemption
46 hereunder and for that purpose he may require the filing of a new

1 application or the submission of such proof as he shall deem necessary
2 to determine the right of the claimant to continuance of such
3 exemption.

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5 7. An application for an exemption hereunder shall be filed with the
6 assessor of the taxing district on or before December 31 of the pretax
7 year. If an application is approved by the assessor, he shall allow an
8 exemption from all additional taxes assessed against the real property
9 to the claimant as described therein and shall indicate upon the
10 assessment list and duplicates the approval thereof in such manner as
11 shall be prescribed by rules of the Director of the Division of Taxation
12 together with the proportionate share of such property deemed to be
13 owned by the claimant for the purposes of this act if he is not the sole
14 owner thereof.

15 Upon approval of the application for a tax exemption, the tax
16 collector shall note in his records the existence of a contingent liability
17 for taxes in the amount of the exemption in the event the exemption is
18 subsequently disallowed on the basis of the taxpayer's residence or the
19 transfer of title to the property to a person not entitled to such
20 exemption, which contingent liability shall be reported on any tax
21 search made on the property for which the exemption was approved.

22 The application, if not filed with the assessor within the
23 aforementioned time, may be filed with the collector during the tax
24 year, and, upon approval by the collector of such application, the
25 collector shall determine the amount of the reduction in tax to which
26 the claimant is entitled and shall allow a said amount as an offset
27 against the tax then remaining unpaid. If the amount allowable as an
28 offset shall exceed the amount of the tax then unpaid for that tax year,
29 or if the application for a tax exemption is not filed with the collector
30 until after all taxes for the tax year have been fully paid, the claimant
31 may make application to the governing body of the municipality
32 constituting the taxing district for the refund of any tax overpaid, but
33 without interest, and the governing body may, in its discretion, direct
34 the return of any tax deemed by it to have been overpaid by reason of
35 claimant's failure to make timely application for a tax exemption;
36 provided, however, that no application for a tax exemption for any
37 previous tax year shall be allowed by any assessor, collector or
38 governing body. When an application for a tax exemption is filed with
39 and allowed by a collector, the collector shall promptly transmit such
40 application and all exhibits attached thereto, or a photocopy thereof,
41 to the assessor of the taxing district. Upon receipt thereof the assessor
42 shall review the application and if approved by him, it shall have the
43 same force as if originally filed with him.

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45 8. a. Every fact essential to support a claim for an exemption
46 hereunder shall exist on October 1 of the pretax year, except as in this

1 section otherwise provided. Every application by a claimant therefor
2 shall establish that the claimant is or will be on or before December 31
3 of the pretax year 65 or more years of age and that the claimant was,
4 on October 1 of the pretax year, (1) for a period of five years or
5 longer, the owner of a dwelling house which is a constituent part of
6 the real property for which the exemption is claimed, or the owner of
7 a real property for which the exemption is claimed, or the owner of a
8 dwelling house which is assessed as real property but which is situated
9 on land owned by another or others and (2) residing in said dwelling
10 house.

11 b. In the case of claims for an exemption authorized by section 5
12 of this act a claimant therefor shall, upon the death of his or her
13 spouse, establish that he or she was no more than 20 years younger
14 than the decedent and remains unmarried and that he or she was, on
15 October 1 of the pretax year, (1) the owner of a dwelling house which
16 is a constituent part of the real property for which the exemption is
17 claimed, or the owner of a dwelling house which is assessed as real
18 property but which is situated on land owned by another or others and
19 (2) residing in said dwelling house. The collector or the assessor of
20 the taxing district, as the case may be, shall establish whether the
21 deceased spouse of the claimant received an exemption.

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23 9. A claim having been filed with, and allowed by, the assessor on
24 and after the effective date of this act shall continue in force from year
25 to year thereafter without the necessity for further claim so long as the
26 claimant shall be entitled to an exemption hereunder. It shall be the
27 duty of every claimant to inform the assessor of any change in the
28 status of his residence or property ownership which may affect his
29 right to continuance of such exemption.

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31 10. The director may promulgate such rules and regulations and
32 prescribe such forms as he shall deem necessary to implement this act.
33 He may, in his discretion, eliminate the necessity for sworn
34 application, in which event all declarations by the claimant shall be
35 considered as if made under an oath and the claimant, as to false
36 declarations, shall be subject to the penalties as provided by law for
37 perjury.

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39 11. Each assessor and collector and his duly designated assistants
40 are hereby authorized to take and administer the oath, where required,
41 on any claim for or a statement in connection with an exemption
42 hereunder and no charge shall be made for the taking of any affidavit
43 or the preparation of any form required by this act.

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45 12. This act shall apply to property taxes due and payable
46 beginning January 1 next following enactment and thereafter, and shall

1 not affect the obligation, lien, or duty to pay any taxes, interest or
2 penalties which have accrued or may accrue by virtue of any
3 assessment made or which may be made with respect to taxes levied
4 for any year prior to the year in which the exemption becomes
5 effective.

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

- 11 a. the number of tax exemptions allowed for the current tax year;
12 b. the total dollar amount of tax exemptions allowed for the current
13 tax year;
14 c. separately, the number and dollar amount of tax exemptions
15 allowed or disallowed, as certified by the collector, from the time of
16 certification made the previous year and prior to certification for the
17 current year;
18 d. the totals for a., b., and c. above, by district and for the county
19 as a whole.

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21 14. The director may inspect all records in the office of the
22 collector and the assessor with respect to claims and allowances for
23 tax exemption.

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25 15. For each year, each county board of taxation shall include in
26 the abstract of ratables and exemptions prepared pursuant to R.S.54:4-
27 52 the full estimated amount of the tax exemptions as provided for in
28 this act, but said amount shall not be included in the total on which the
29 tax rate is to be computed.

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31 16. This act shall take effect immediately.

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34 **STATEMENT**

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36 This bill, designated the "Senior Citizen Property Tax Relief Act,"
37 would exempt senior citizens who are 65 years of age or more from
38 further property tax increases on their residences.

39 Senior citizens would be eligible for this exemption so long as they
40 have resided in the dwelling unit on which they are being taxed and
41 making application for a period of not less than five years.

42 A surviving spouse of a senior citizen who received the tax
43 exemption in his lifetime would continue to be eligible for the
44 exemption notwithstanding that the surviving spouse is under the age
45 of 65, so long as the surviving spouse remains unmarried, continues to
46 reside in the same dwelling house for which the exemption was

1 originally granted and was not more than 20 years younger than the
2 decedent.

3 Senior citizens and surviving spouses would continue to receive the
4 exemption on an annual basis without reapplication; however, the onus
5 would be on them to report any change in their status which would
6 make them ineligible to continue to receive the exemption. Such
7 changes in status would include a change of residence or a transfer of
8 the property to someone ineligible to continue receiving the exemption
9 or, in the case of a surviving spouse, remarriage.

10 The bill is intended to resolve a very serious and growing problem
11 in this State. Senior citizens, many of whom are on fixed incomes, are
12 under increasing pressure to maintain their status as homeowners in
13 light of formidable property tax increases to which many have been
14 subjected in recent years.

15 The trauma and dislocation experienced by a senior citizen in selling
16 a house for financial reasons can be so devastating as to undermine the
17 health and well-being of that individual. It is particularly difficult to
18 accept the fact that forced sales of the homes of senior citizens are
19 occurring when the Legislature has the power to address this
20 devastating situation.

21 Moreover, it is both inequitable and unfair for senior citizens to be
22 placed in financial jeopardy by property tax increases when they
23 contribute to the need for these property tax increases insignificantly,
24 if at all.

25 Although it may be too late to help senior citizens who have already
26 been forced to relocate because of an inability to afford skyrocketing
27 property tax increases, there may be time to help those who have not
28 yet suffered dislocation. Accordingly, it is the sponsor's intent in
29 introducing this bill to correct a situation which at best is inequitable
30 and unfair, and at worst will result in the continued dislocation of
31 those citizens least able to cope with its impacts.

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36 Provides property tax relief for certain senior citizens.