

SENATE, No. 1788

STATE OF NEW JERSEY

INTRODUCED JANUARY 23, 1997

By Senator CONNORS

1 AN ACT providing a school tax rebate for senior and disabled citizens
2 and supplementing chapter 4 of 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 and
8 Disabled Citizens' School Tax Rebate Act."

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10 2. Every person who:

11 a. Is a resident of the State for at least five years, of the age of 65
12 or more years or who is permanently and totally disabled according to
13 the provisions of the Federal Social Security Act;

14 b. Has an annual income not in excess of the limitations provided
15 in this section; and

16 c. Resides in a dwelling house owned by him which is a constituent
17 part of his real property or residing in a dwelling house owned by him
18 which is assessed as real property but which is situated on land owned
19 by another or others or residing in a dwelling house owned by another
20 person and rented by him, and which is occupied by the resident as his
21 principal residence; shall be entitled, annually on proper claim being
22 made therefore, to a rebate of the tax or taxes assessed against such
23 real property or its rent increase equivalent, in an amount not
24 exceeding that portion of the assessed tax which represents any
25 increase in the district school tax. A determination of the increase in
26 the district school tax for a particular property shall be based upon the
27 amount of district school tax assessed against the real property in the
28 year the taxpayer reached age 65 or become permanently and totally
29 disabled and the amount of district school tax assessed against the real
30 property in the year for which the rebate is claimed.

31 For the purposes of this section, the annual income limitation shall
32 be double the income eligibility amount permitted under the
33 "Pharmaceutical Assistance to the Aged and Disabled" program, set
34 out in section 2 of P.L.1975, c.194 (C.30:4D-21), or shall be the
35 amount established by the Director of the Division of Taxation, in the
36 Department of the Treasury, pursuant to subsection d. of section 11
37 of this act.

1 3. No senior citizens' school tax rebate shall be granted to a
2 homeowner except upon written application therefore, which
3 application shall be on a form prescribed by the Director of the
4 Division of Taxation, in the Department of the Treasury and provided
5 for use of the claimants by the municipal tax assessor, and approved
6 as provided in this act. Each assessor may at any time inquire into the
7 right of a claimant to the continuance of a school tax rebate and for
8 that purpose he may require the filing of a new application or the
9 submission of such proof as he shall deem necessary to determine the
10 right of the claimant to continuance of such rebate.

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12 4. a. An application for a homeowner's school tax rebate
13 hereunder shall be filed with the assessor of the taxing district on or
14 before December 1 annually and shall reflect the prerequisites for the
15 rebate on October 1 of the respective pretax year; provided, however,
16 that the Director of the Division of Taxation, in the Department of the
17 Treasury, may, by regulation, waive the requirement for filing an
18 annual application for any year or years subject to any limitations and
19 conditions he may deem appropriate. If a homeowner's application is
20 approved by the assessor, he shall allow a school tax rebate on the real
21 property assessed to the claimant as described therein and shall
22 indicate upon the assessment list and duplicates or as the director may
23 otherwise prescribe the approval thereof in such manner as shall be
24 prescribed by rules of the Director of the Division of Taxation
25 together with the proportionate share of such property deemed to be
26 owned by the claimant for the purposes of this act if he is not the sole
27 owner thereof. In addition, the director may require such approval to
28 be indicated and a further tax duplicate to be filed with him on or
29 before January 10 of the tax year.

30 b. An application for a homeowner's rebate may be filed on or
31 before December 31 of the pretax year setting forth the prerequisites
32 for rebate as of October 1 of said pretax year by any property owner
33 subject to tax for the ensuing tax year who has not previously filed a
34 claim for rebate or has previously filed a claim for rebate and there has
35 taken place subsequent thereto with respect to said property an added
36 or omitted assessment or a change in the status of the property owner.

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38 5. Every fact essential to support a claim for a school tax rebate
39 hereunder shall exist on October 1 of the pretax year, except as in this
40 section otherwise provided. Every application by a senior citizen or
41 totally disabled person, shall establish that he is or will be on or before
42 December 31 of the pretax year 65 or more years of age or is
43 permanently disabled and that he was, on October 1 of the pretax year,
44 a. a resident of this State for at least 5 years, b. the owner of a
45 dwelling house which is a constituent part of the real property for
46 which a school tax rebate is claimed or a renter with a school tax

1 induced rent increase, and c. residing in said dwelling house as his
2 principal residence. It shall be the duty of every claimant to inform the
3 assessor of any change in his status or property which may affect his
4 right to continuance of such rebate.

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6 6. On or before February 15 of each year each county board of
7 taxation shall, on a form prescribed by the Director of the Division of
8 Taxation, in the Department of the Treasury, certify to the director
9 from the tax lists certified with it for each taxing district for the
10 current year such information as the director may prescribe, including
11 the number of school tax rebates allowed for the current year.

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13 7. When title to property as to which a school tax rebate is claimed
14 is held by a claimant and another or others, either as tenants in
15 common or as joint tenants, the claimant shall not be allowed a school
16 tax rebate in an amount in excess of his proportionate share of the
17 school taxes assessed against said property, which proportionate share,
18 for the purposes of this act, shall be deemed to be equal to that of each
19 of the other tenants, unless it is shown that the interests in question are
20 not equal, in which event the claimant's proportionate share shall be
21 equal to the claimant's proportionate interest in the property. Nothing
22 herein shall preclude more than one tenant, whether title be held in
23 common or joint tenancy, from claiming a school tax rebate but no
24 more than the equivalent of one full school tax rebate representing the
25 total increase in the school tax for each claimant shall be allowed in
26 any year, and in any case in which the claimants cannot agree to the
27 apportionment thereof, such rebate shall be apportioned between or
28 among them in proportion to their interest. Property held by husband
29 and wife, as tenants by the entirety, shall be deemed wholly owned by
30 each tenant, but no more than one school tax rebate in regard to such
31 property shall be allowed in any year. Right to claim a school tax
32 rebate hereunder shall extend to property the title to which is held by
33 a partnership, to the extent of the claimant's interest as a partner
34 therein, and by a guardian, trustee, committee, conservator or other
35 fiduciary for any person who would otherwise be entitled to claim such
36 rebate hereunder, but not to property the title to which is held by a
37 corporation.

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39 8. After notification of a landlord by a senior or disabled renter
40 eligible pursuant to section 2 of this act as to the senior or disabled
41 renter's qualification for a benefit under this act, the landlord shall, in
42 a manner prescribed by the Director of the Division of Taxation, pay
43 to the senior or disabled renter that portion of his rent representing an
44 increase in school tax from the senior or disabled renter's first year of
45 qualification. The landlord shall annually submit to the Director of the
46 Division of Taxation a verified statement of the amount of such

1 payments made for the same calendar year in such manner and form as
2 prescribed by the director. After review, the director shall prepare a
3 list of landlords entitled to be compensated for payments made to
4 eligible senior and disabled renters for any school tax induced rent
5 increase and submit such list to the State Treasurer and the Director
6 of the Division of Budget and Accounting. The State Treasurer
7 annually on or before July 15 upon certification by the Director of the
8 Division of Taxation and upon warrant of the State Comptroller shall
9 pay to appropriate landlords from the Senior Citizens' School Tax
10 Rebate Fund the amount of school tax induced rent increase payments
11 previously paid or allowed as a rent offset by such landlords.

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13 9. The Director of the Division of Taxation, in the Department of
14 Treasury, may require verification of eligibility or noneligibility for a
15 school tax rebate where doubt exists, and may require an applicant to
16 attach his school tax rebate application to a copy of the appropriate
17 tax bill or rental agreement or its equivalent. The director shall, for
18 good cause shown extend the time of any applicant to file a claim for
19 a school tax rebate for a reasonable period. In such case, the
20 application shall be processed and payments and credits made in
21 accordance with the procedures established in the case of applications
22 timely filed. He may, in his discretion, eliminate the necessity for
23 sworn application, in which event all declarations by the claimant shall
24 be considered as if made under oath and the claimant, as to false
25 declarations, shall be subject to the penalties provided by law for
26 perjury.

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28 10. An aggrieved taxpayer may appeal from the disapproval of a
29 claim for a school tax rebate by filing a petition of appeal with the
30 county board of taxation within 45 days from the date that such claim
31 has been disapproved. If the property owner's claim for a school tax
32 rebate is disapproved by the county board of taxation, he may appeal
33 therefrom to the tax court within 45 days from the date of such
34 disapproval, in accordance with the provisions of the State Tax
35 Uniform Procedure Law, R.S.54:48-1 et seq. The tax court shall
36 render its judgment within 90 days from the date the appeal was filed
37 with it. In the event that the Director of the Division of Taxation
38 refuses to certify the property owners' school tax rebate claim, the
39 director shall indicate the reasons why such claim has not been
40 certified and the claimant shall be permitted to appeal such refusal to
41 the tax court in accordance with the provisions of the State Tax
42 Uniform Procedure Law, R.S.54:48-1 et seq., within 45 days of the
43 date that a notice of refusal has been mailed to the claimant by the
44 director in accordance with the provisions of the State Tax Uniform
45 Procedure Law, R.S.54:48-1 et seq.

1 11. a. After review, the Director of the Division of Taxation shall
2 prepare a list of persons entitled to the school tax rebate, together with
3 the respective amounts due. Such lists shall be forwarded to the State
4 Treasurer, the Director of the Division of Budget and Accounting and
5 to such other officials as he may deem appropriate. The director may
6 inspect all records in the office of the collector and the assessor with
7 respect to claims and allowances for school tax rebates.

8 b. Each tax collector shall, on or before March 31 of each year,
9 furnish the Director of the Division of Taxation with a list of
10 delinquent property tax owners in his district for taxes due and payable
11 for the year immediately preceding and the amounts of such
12 delinquencies. No school tax rebate payment under the act shall be
13 made to any property owner while such delinquency remains, provided
14 however that for the purposes of this act, property which is on appeal
15 and for which the statutory percentage of the tax has been paid shall
16 not be regarded as delinquent.

17 c. Where delinquencies remain on March 31, the director shall
18 ascertain the amounts of school tax rebates withheld because of such
19 delinquencies in each municipality in the State, and shall certify such
20 amounts to the State Treasurer as soon thereafter as may be
21 practicable.

22 On or before August 1, the director shall notify each taxpayer
23 whose school tax rebate has been withheld because of delinquency that
24 the amount of such rebate to which he otherwise would have been
25 entitled will be sent to the tax collector in his municipality to be
26 credited against his delinquency.

27 d. The State Treasurer annually on or before July 15 upon
28 certification of the Director of the Division of Taxation and upon the
29 warrant of the State Comptroller, shall pay, from the Senior Citizens'
30 School Tax Rebate Fund, established under section 13 of this act, and
31 distribute the amount of the school tax rebate to each qualified
32 property owner as certified by the director.

33 In the event that there are insufficient moneys in the Senior Citizens
34 School Tax Rebate Fund to pay rebates to all persons who qualify
35 pursuant to section 2 of this act, the director shall lower the income
36 eligibility threshold to that amount which would result in
37 disqualification of those applicants for which rebate funds are not
38 available. The director shall notify such persons of the reason for their
39 disqualification. The decision of the director shall be final.

40 e. Upon certification by the director as to the amount of rebates
41 withheld because of delinquency in the several municipalities, the State
42 Treasurer upon the warrant of the State Comptroller, shall pay such
43 amount on or before September 1, to the tax collector in each
44 municipality.

45 f. The tax collector in each municipality shall credit the tax
46 delinquency of each property owner who appears on the delinquency

1 list set forth in subsection b. of this section in the amount that
2 otherwise would have been returned to him as a rebate. In the event
3 that the amount so credited exceeds the amount of delinquency, the
4 tax collector may return the difference to the taxpayer or credit such
5 amount to a subsequent tax bill.

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7 12. There is imposed on every public carrier through which
8 gambling inducements are offered to its customers and which is
9 regulated by the Casino Control Commission, a surcharge of \$50.00
10 for each trip the carrier makes into Atlantic City for the purpose of
11 discharging passengers at or near a licensed casino. The surcharge is
12 not applicable to carriers on regular, scheduled routes within the city,
13 nor to carriers engaged exclusively in transporting casino employees
14 to the casino by which they are employed. For the purposes of this
15 subsection, the term "public carrier" shall include, but shall not be
16 limited to, buses, airplanes, trains, helicopters, boats and limousines.

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18 13. There is hereby established a Senior Citizens School Tax
19 Rebate Fund in the Department of the Treasury. All funds generated
20 by the surcharge imposed by section 12 of this act, and the matching
21 appropriation required by section 14 of this act, shall be deposited in
22 the fund. The State Treasurer may invest the moneys deposited in the
23 fund in the same manner as other State revenues are invested. Any
24 interest generated by the fund shall be redeposited in the fund.

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26 14. There shall be annually appropriated to the Senior Citizens
27 School Tax Rebate Fund such sums of money as the State Treasurer
28 determines is necessary to equal the amount of money received by the
29 fund from the surcharge imposed pursuant to section 12 of this act
30 during the 12 months immediately prior to the last such appropriation.

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32 15. The Director of the Division of Taxation shall promulgate such
33 rules and regulations, pursuant to the provisions of the
34 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
35 seq.), and prescribe such forms as he deems are necessary to the
36 implementation of this act.

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38 16. This act shall take effect one year from the date of its
39 enactment, and section 15 shall take effect immediately, provided that
40 an amendment to the Constitution has been approved which would
41 allow a school tax rebate for senior citizens and disabled persons.

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44 **STATEMENT**

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46 This bill provides a school tax rebate for persons who are over 65

1 years of age or permanently and totally disabled, residents of the State
2 for at least 5 years, owners or renters of their principal residences, and
3 qualify under the income limitations of the bill. The amount of the
4 rebate is the difference between the amount of school tax a person
5 paid when he reached his 65th year or became permanently and totally
6 disabled, and any annual increase in the school tax occurring since that
7 event. To qualify under the bill's income limitations, a person must
8 have an income that is not more than double the qualifying income for
9 eligibility under the "Pharmaceutical Assistance to the Aged and
10 Disabled" program, P.L.1975, c.194 (C.30:4D-20 et seq.). The
11 revenues to fund the rebate program will come from a \$50.00 per trip
12 surcharge imposed by this bill on public carriers through which
13 gambling inducements are offered, and an annual matching
14 appropriation by the Legislature. The bill will not become operative
15 until the approval of an amendment to the Constitution allowing a
16 senior and disabled citizens' school tax rebate. The rebate will be paid
17 directly by the State to homeowners, as with the homestead rebate,
18 and will be repaid by the State to landlords of such senior or disabled
19 citizens, so that counties and municipalities will experience no loss of
20 tax revenues.

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25 "The Senior and Disabled Citizens' School Tax Rebate Act.