

FISCAL NOTE TO
SENATE, No. 2178

STATE OF NEW JERSEY

DATED: SEPTEMBER 25, 1997

Senate Bill No. 2178 of 1997 would require the State to reimburse municipalities for the amount of taxes lost due to properties owned by disabled veterans claiming the totally disabled veterans' tax exemption. The bill requires the reimbursement of an extra 2 percent of the taxes lost due to the exemption to cover the cost to the municipality to administer the exemption program.

The Department of the Treasury (Treasury) has advised the Office of Legislative Services (OLS) that under the provisions of this bill, the loss of revenue to the State will be a continuing one, but Treasury would be able to absorb any additional operating expenses in its current operating budget. Treasury advises the OLS that currently, 2,732 totally disabled veterans' exemptions are granted, and the total assessed value of the properties on which the exemptions are granted is \$322,306,476. The Treasury further advises OLS that, assuming an average general tax rate of \$3.00 per \$100.00 of assessed valuation, and taking into account the requirement that the State reimburse to affected municipalities 102 percent of the total cost, the State would reimburse approximately \$9.9 million to all affected municipalities.

The OLS has not found any data that would indicate a fiscal impact other than that anticipated by Treasury.

This fiscal note has been prepared pursuant to P.L.1980, c.67.