

# SENATE COMMUNITY AFFAIRS COMMITTEE

## STATEMENT TO

### **SENATE, No. 2179**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: DECEMBER 15, 1997

The Senate Community Affairs Committee reports favorably Senate Bill No. 2179 with committee amendments.

As amended by the committee, this bill would provide annually beginning in calendar year 1998, a homestead property tax reimbursement to senior and disabled persons who: (1) are eligible for the program of pharmaceutical assistance to the aged and disabled (PAAD); (2) are current homeowners or mobile home owners; and (3) have paid property taxes on a homestead or rental unit, or mobile home park rental fees on a mobile home, used as their principal residence in this State for at least 10 consecutive years. The annual homestead property tax reimbursement payments would, in effect, "freeze" the property taxes for those eligible senior and disabled residents.

Currently, a single person must have an annual income of less than \$17,550, and a married couple must have an annual income of less than \$21,519, to be eligible for assistance under the PAAD program. Eligible senior and disabled residents could receive a State payment equal to the difference between the amount of property taxes paid for the base tax year (1996 or a later year in which the person first becomes eligible for this benefit) and any future tax year in which the eligible homeowner pays taxes that are higher than the base-year amount.

The homestead property tax reimbursement would be calculated by the Commissioner of Health and Senior Services, who would administer the homestead property tax reimbursement program using information, in the form of property tax payments or other equivalent proof as permitted by the commissioner, provided by applicants for the homestead property tax reimbursement. The homestead property tax reimbursement would be required to be paid to those eligible homeowners on or before July 15, 1998 and on or before July 15 in each succeeding year. Payments made pursuant to this bill will be appropriated from receipts in the Casino Revenue Fund. The bill would also permit a municipality to apply to the State Treasurer for any costs incurred by the municipality in connection with the

administration of this bill, in accordance with procedures to be determined by the State Treasurer.

The committee amended the bill to include the lessee of a mobile home park site on which the lessee owns a manufactured or mobile home as eligible for the homestead property tax reimbursement program if that lessee meets the other qualifications of the program. The committee amendments define "site fee constituting property tax" as 18 percent of the annual site fee paid or payable to the owner of the mobile home park. The committee also amended the bill to clarify that for eligible claimants who have paid property tax for only a portion of the base year, the amount paid in the base year would be the annualized amount otherwise payable. Finally, the amendments clarify that a participant must have paid property taxes on a homestead or rental unit, or mobile home park rental fees on a mobile home, used as the participant's principal residence for 10 consecutive years.

As reported with amendments this bill is identical to Assembly, No. 3 (2R) which was also favorably reported by the committee on December 15, 1997.