

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 956

STATE OF NEW JERSEY

DATED: JULY 16, 2020

The Senate Community and Urban Affairs Committee reports favorably Senate Bill No. 956.

This bill extends the complete exemption from property taxes for totally disabled veterans and their surviving spouses to residents of cooperative or mutual housing corporations. Current law exempts disabled veterans or their surviving spouses who own and reside in a single-family home, a portion of a multi-family home, a unit in a condominium or an apartment in a horizontal property regime.

This bill also clarifies that the extension of this exemption applies only to a unit in a cooperative or mutual housing corporation which is the legal residence in this State of a disabled veteran tenant shareholder or the veteran's surviving spouse.

The bill requires the Director of the Division of Taxation to promulgate regulations that: require that the application for the exemption includes the name and address of the location of the property and the amount of real property taxes attributed to the cooperative unit or mutual housing residential unit; and ensure that the disabled veteran or surviving spouse is the sole beneficiary of the exemption. A cooperative or mutual housing corporation actually pays the property tax; the veteran or the surviving spouse, as a tenant shareholder, indirectly pays a portion of the property tax through a monthly fee. The regulations will help ensure that the taxing entity passes along the entire amount of the tax savings to the veteran or surviving spouse.