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P U B L I C   H E A R I N G

before the

ASSEMBLY TAXATION COMMITTEE

on

ASSEMBLY COMMITTEE SUBSTITUTE FOR  
ASSEMBLY CONCURRENT RESOLUTIONS  
175, 177 and 178

(Amendments to tax clause allowing  
for homestead exemptions and tax  
abatements)

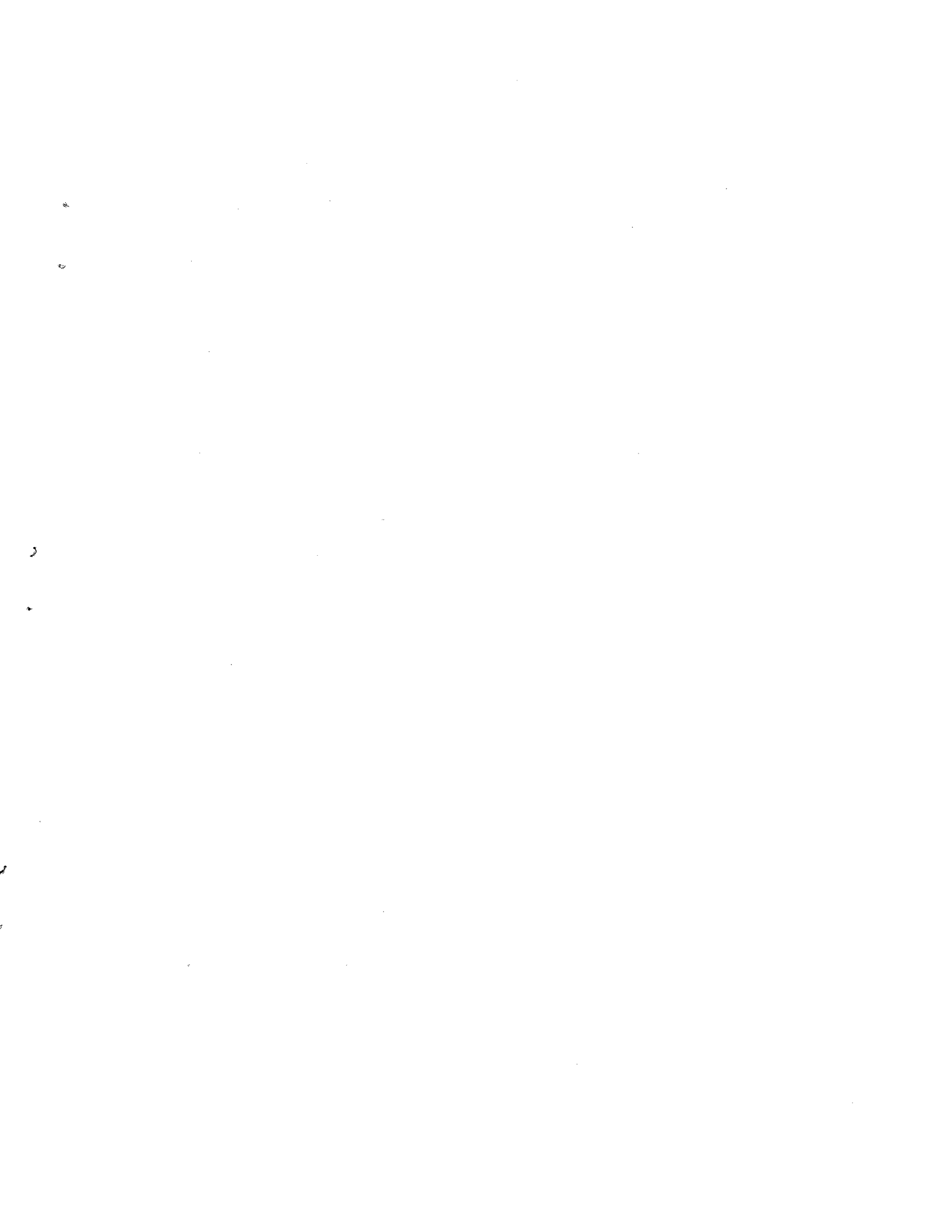
Held:  
Assembly Chamber  
State House  
Trenton, New Jersey  
June 4, 1975

COMMITTEE MEMBER PRESENT:

Assemblyman Walter E. Foran (Acting Chairman)

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 ASSEMBLY COMMITTEE SUBSTITUTE FOR  
**ASSEMBLY CONCURRENT RESOLUTIONS**  
**Nos. 175, 177 and 178**

**STATE OF NEW JERSEY**

ADOPTED JUNE 24, 1974

\*[A CONCURRENT RESOLUTION proposing to amend Article VIII, Section I, paragraph 4, and adding paragraphs 5 and 6 for homestead tax rebates or credits and permitting the Legislature to enact laws regulating local tax abatement.]\*

\*A CONCURRENT RESOLUTION proposing to amend Article VIII, Section I, paragraph 4, and adding a paragraph 5 to provide a homestead tax rebate or credit and a paragraph 6 permitting the Legislature to enact laws regulating local tax abatement.\*

1 BE IT RESOLVED by the General Assembly of the State of New  
 2 Jersey (the Senate concurring):

1 1. The following proposed amendment of the Constitution of  
 2 New Jersey is hereby agreed to:

PROPOSED AMENDMENT

3 Amend Article VIII, Section I, paragraph 4 of the Constitution  
 4 and add paragraphs 5 and 6 as follows:

5 4. The Legislature may, from time to time, enact laws granting  
 6 an annual deduction from the amount of any tax bill for taxes on  
 7 the real property of any citizen and resident of this State of the age  
 8 of 65 or more years, or any citizen and resident of this State less  
 9 than 65 years of age who is permanently and totally disabled ac-  
 10 cording to the provisions of the Federal Social Security Act, re-  
 11 siding in a dwelling house owned by him which is a constituent part  
 12 of such real property but no such deduction shall be in excess of  
 13 \$160.00 and such deduction shall be restricted to owners having  
 14 an income not in excess of \$5,000.00 per year exclusive of benefits  
 15 under any one of the following:

16 a. The Federal Social Security Act and all amendments and  
 17 supplements thereto;

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill  
 is not enacted and is intended to be omitted in the law.**

18 b. Any other program of the Federal Government or pursuant  
 19 to any other Federal law which provides benefits in whole or in  
 20 part in lieu of benefits referred to in, or for persons excluded from  
 21 coverage under, a. hereof including but not limited to the Federal  
 22 Railroad Retirement Act and Federal pension, disability and re-  
 23 tirement programs; or

24 c. Pension, disability or retirement programs of any state or  
 25 its political subdivisions, or agencies thereof, for persons not  
 26 covered under a. hereof;

27 provided, however, that the total amount of benefits to be allowed  
 28 exclusion by any owner under b. or c. hereof shall not be in excess  
 29 of the maximum amount of benefits payable to, and allowable for  
 30 exclusion by, an owner in similar circumstances under a. hereof.

30A *\*The surviving spouse of a deceased citizen and resident of this*  
 30B *State who during his or her life received a real property tax deduc-*  
 30C *tion pursuant to this paragraph shall be entitled, so long as he or*  
 30D *she shall remain unmarried and a resident in the same dwelling*  
 30E *house with respect to which said deduction was granted, to the*  
 30F *same deduction, upon the same conditions, with respect to the same*  
 30G *real property, notwithstanding that said surviving spouse is under*  
 30H *the age of 65 and is not permanently and totally disabled, provided*  
 30I *that said surviving spouse is 55 years of age or older.\**

31 Any such deduction when so granted by law shall be granted so  
 32 that it will not be in addition to any other deduction or exemption  
 33 to which the said citizen and resident may be entitled, **\*[except for**  
 34 **any homestead rebate or credit provided by law]** *\*but said citizen*  
 34A *and resident may receive in addition any homestead rebate or*  
 35 *credit provided by law.\** The State shall annually reimburse each  
 36 taxing district in an amount equal to one-half of the tax loss to the  
 37 district resulting from the allowance of tax deductions pursuant to  
 37A this paragraph.

38 5. The Legislature **\*\*[shall]\*\*** **\*\*may\*\*** adopt a homestead  
 39 statute which entitles homeowners, residential tenants and net  
 40 lease residential tenants to a rebate or a credit of a sum of money  
 41 related to property taxes paid by or allocable to them **\*\*[at a rate**  
 42 **not less than 5% nor more than 10% of household income. The**  
 43 **Legislature** **\*[shall]\*** **\*may\*** define "household income"  
 44 **\*[and]\*** **\*.\*** "rent constituting property taxes" **\*and** "claimant",  
 44A **and may limit the total rebate or credit to which a claimant is en-**  
 44B **titled.\*]\*\*** **\*\*at such rates, and subject to such limits, as may be**  
 44C **provided by law\*\*.**

45 6. The Legislature may enact general laws under which municipi-

46 palities may adopt ordinances granting exemptions or abatements  
47 from taxation on **\*\*[improvements to]\*\*** buildings and structures  
48 in areas declared in need of rehabilitation in accordance with  
49 statutory criteria, within such municipalities and to the land com-  
50 prising the premises upon which such buildings or structures are  
51 erected and which is necessary for the fair enjoyment thereof. Such  
52 exemptions shall be for limited periods of time as specified by law,  
53 but not in excess of 5 years**\*\*[**, shall not be in excess of the addi-  
54 tional value of the real property resulting from the improvement,  
55 and may be limited according to the nature and extent of the  
56 improvement**]\*\***.

1 2. When this proposed amendment to the Constitution is finally  
2 agreed to, pursuant to Article IX, paragraph 1 of the Constitution,  
3 it shall be submitted to the people at the next general election  
4 occurring more than 3 months after such final agreement and shall  
5 be published at least once in at least one newspaper of each  
6 county designated by the President of the Senate and the  
7 Speaker of the General Assembly and the Secretary of State not  
8 less than 3 months prior to said general election.

1 3. This proposed amendment to the Constitution shall be sub-  
2 mitted to the people at said general election in the following man-  
3 ner and form:

4 There shall be printed on each official ballot to be used at such  
5 general election, the following:

6 1. In every municipality in which voting machines are not used,  
7 a legend which shall immediately precede the question as follows:

8 If you favor the proposition printed below make a cross (X),  
9 plus (+) or check (V) in the square opposite the word "Yes."

10 If you are opposed thereto make a cross (X), plus (+) or  
11 check (V) in the square opposite the word "No."

12 2. In every municipality the following question:

	Yes.	<p>CONSTITUTIONAL AMENDMENT RELATING TO *<b>【CERTAIN DISABLED PERSONS, TO】</b>* SENIOR CITIZENS, HOMESTEAD REBATES OR CREDITS AND *Property* TAX ABATEMENT</p> <p>*<b>【Shall the amendment to Article VIII, Section I of the Constitution, agreed to by the Legislature permitting property tax deductions for certain disabled persons, permitting senior citizens to receive a homestead tax rebate or credit regardless of any other deduction or exemption, providing a homestead rebate or credit to home owners and residential tenants and authorizing the Legislature to enact general laws relative to tax abatement in certain instances, be adopted?】</b>*</p>
	No.	<p><i>*Shall the amendment to Article VIII, Section I of the Constitution, agreed to by the Legislature, extending the Senior Citizen property tax deduction, permitting Senior Citizens to receive a homestead tax rebate or credit in addition to any other deduction or exemption, providing a homestead rebate or credit to home owners and residential tenants and authorizing the Legislature to enact general laws relative to property tax abatement in certain instances, be adopted?*</i></p>

ASSEMBLYMAN WALTER E. FORAN (Acting Chairman):

This is a public hearing on the Assembly Committee Substitute for Assembly Concurrent Resolutions 175, 177, and 178.

My name is Walter E. Foran, Assemblyman from District 14, and in the absence of the Chairman of the Committee, I have been asked to conduct this hearing.

Before proceeding, I would like to point out that the proposed constitutional amendment we are considering today has been the subject of a previous hearing, but since that time, it has been amended. Thus, it is necessary to conduct a further public hearing if we are to proceed and put it on the ballot in November. The proposal made by this resolution would allow the Legislature to do a number of things, all of which appear to be in keeping with the views espoused by most of the individuals and organizations who have addressed themselves to property tax relief for senior citizens. However, it goes even further in that it provides for a similar treatment for those who are disabled and would allow the Legislature to enact general laws providing property tax relief to all citizens, regardless of age.

I would like to point out that although this resolution does not address itself to providing relief for rent payers, whether senior citizens or not, it is not necessary to have a constitutional amendment to provide relief for rent payers, because in providing such relief, we are not dealing with property tax directly, but only indirectly.

The passage of this resolution by both Houses of the Legislature and its subsequent adoption by the electorate would provide flexibility for the Legislature in dealing with property tax relief generally. The specific provisions of such relief would then appear in individual bills and the provisions of such bills could be altered

as situations changed.

I would like to state for the record that no one has appeared to participate in this hearing and I would request that this fact be reported to the Committee.

I hereby declare this hearing closed.

(Hearing Concluded)





