

SENATE, No. 1012

STATE OF NEW JERSEY 221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:

Senator LINDA R. GREENSTEIN

District 14 (Mercer and Middlesex)

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District 7 (Burlington)

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SYNOPSIS

Authorizes proportional property tax exemption for honorably discharged veterans having service-connected permanent disability; extends eligibility to veterans suffering from mental illness; establishes eligibility of property owned by disabled veteran with surviving partner for exemption.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT concerning the disabled veterans' property tax exemption,
2 amending and supplementing P.L.1948, c.259.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. Section 1 of P.L.1948, c.259 (C.54:4-3.30) is amended to
8 read as follows:

9 1. a. The dwelling house and the lot or curtilage whereon the
10 same is erected, of any citizen and resident of this State, now or
11 hereafter honorably discharged or released under honorable
12 circumstances, from active service in any branch of the Armed
13 Forces of the United States, who has been or shall be declared by
14 the United States Department of **['Veterans']** Veterans Affairs, its
15 predecessor, or its successor to have a service-connected permanent
16 disability from paraplegia, sarcoidosis, hemiplegia, or
17 osteocondritis [resulting in permanent loss of the use of both legs,
18 or permanent paralysis of both legs and lower parts of the body, or
19 from hemiplegia and has permanent paralysis of one leg and one
20 arm or either side of the body] or, resulting from injury to the
21 spinal cord, skeletal structure, or brain or from disease of the spinal
22 cord not resulting from any form of syphilis; or from [total]
23 blindness; or from amputation [of both arms or both legs, or both
24 hands or both feet, or the combination of a hand and a foot]
25 affecting one or more extremities; or from other service-connected
26 permanent disability, including, but not limited to, mental illness
27 **[declared by the United States Veterans Administration or its**
28 **successor to be a total or 100% permanent disability], [and]** not so
29 evaluated solely because of hospitalization or surgery and
30 recuperation, sustained through enemy action, or accident, or
31 resulting from disease contracted while in such active service, shall
32 be exempt from taxation, on proper claim made therefor, in
33 proportion to such person's percentage of service-connected
34 permanent disability, up to and including 100 percent permanent
35 disability, as determined and declared by the United States
36 Department of Veterans Affairs, or its predecessor or successor, and
37 such exemption shall be in addition to any other exemption of such
38 person's real and personal property which now is or hereafter shall
39 be prescribed or allowed by the Constitution or by law but no
40 taxpayer shall be allowed more than one exemption under this act.

41 b. (1) The surviving spouse, surviving civil union partner, or
42 surviving domestic partner of any such citizen and resident of this
43 State, who at the time of death was entitled to the exemption
44 provided under this act, shall be entitled, on proper claim made

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

Matter underlined thus is new matter.

1 therefor, to the same exemption as the deceased had, during the
2 surviving spouse's widowhood or widowerhood, as the case may be,
3 or until such time as the as the surviving civil union partner enters
4 into a new civil union pursuant to R.S.37:1-1 et seq. and P.L.2006,
5 c.103 (C.37:1-28 et al.), or until such time as the surviving domestic
6 partner establishes a new domestic partnership pursuant to section 4
7 of P.L.2003, c.246 (C.26:8A-4) or remarries, and while the
8 surviving spouse, surviving civil union partner, or surviving
9 domestic partner remains a resident of this State, for the time that
10 the surviving spouse, surviving civil union partner, or surviving
11 domestic partner is the legal owner thereof and actually occupies
12 the said dwelling house or any other dwelling house thereafter
13 acquired.

14 (2) The surviving spouse, surviving civil union partner, or
15 surviving domestic partner of any citizen and resident of this State
16 who was honorably discharged and, after the citizen and resident's
17 death, is declared to have suffered a service-connected disability as
18 provided in subsection a. of this section, shall be entitled, on proper
19 claim made therefor, to the same exemption the deceased would
20 have become eligible for. The exemption shall continue during the
21 surviving spouse's widowhood or widowerhood, as the case may be,
22 or until such time as the surviving civil union partner enters into a
23 new civil union pursuant to R.S.37:1-1 et seq. and P.L.2006, c.103
24 (C.37:1-28 et al.), or until such time as the surviving domestic
25 partner establishes a new domestic partnership pursuant to section 4
26 of P.L.2003, c.246 (C.26:8A-4) or remarries, and while the
27 surviving spouse, surviving civil union partner, or surviving
28 domestic partner remains a resident of this State, for the time that
29 the surviving spouse, surviving civil union partner, or surviving
30 domestic partner is the legal owner thereof and actually occupies
31 the dwelling house or any other dwelling house thereafter acquired.

32 c. The surviving spouse, surviving civil union partner, or
33 surviving domestic partner of any citizen and resident of this State,
34 who died in active service in any branch of the Armed Forces of the
35 United States, shall be entitled, on proper claim made therefor, to an
36 exemption from taxation on the dwelling house and lot or curtilage
37 whereon the same is erected, during the surviving spouse's
38 widowhood or widowerhood, as the case may be, or until such time
39 as the surviving civil union partner enters into a new civil union
40 pursuant to R.S.37:1-1 et seq. and P.L.2006, c.103 (C.37:1-28 et
41 al.), or until such time as the surviving domestic partner establishes
42 a new domestic partnership pursuant to section 4 of P.L.2003, c.246
43 (C.26:8A-4) or remarries, and while the surviving spouse, surviving
44 civil union partner, or surviving domestic partner remains a resident
45 of this State, for the time that the surviving spouse, surviving civil
46 union partner, or surviving domestic partner is the legal owner
47 thereof and actually occupies the said dwelling or any other
48 dwelling house thereafter acquired.

1 d. The surviving spouse of any citizen and resident of this State
2 who died prior to January 10, 1972, that being the effective date of
3 P.L.1971, c.398, and whose circumstances were such that, had said
4 law become effective during the deceased's lifetime, the deceased
5 would have become eligible for the exemption granted under this
6 section as amended by said law, shall be entitled, on proper claim
7 made therefor, to the same exemption as the deceased would have
8 become eligible for upon the dwelling house and lot or curtilage
9 occupied by the deceased at the time of death, during the surviving
10 spouse's widowhood or widowerhood, as the case may be, and
11 while a resident of this State, for the time that the surviving spouse
12 is the legal owner thereof and actually occupies the said dwelling
13 house on the premises to be exempted.

14 e. Nothing in this act shall be intended to include paraplegia or
15 hemiplegia resulting from locomotor ataxia or other forms of
16 syphilis of the central nervous system, or from chronic alcoholism,
17 or to include other forms of disease resulting from the veteran's own
18 misconduct which may produce signs and symptoms similar to
19 those resulting from paraplegia, osteochondritis, or hemiplegia.
20 (cf: P.L.2019, c.413, s.1)

21

22 2. Section 2 of P.L.1948, c.259 (C.54:4-3.31) is amended to
23 read as follows:

24 2. All exemptions from taxation under P.L.1948, c.259
25 (C.54:4-3.30 et seq.) shall be allowed by the assessor upon the
26 filing with him of a claim in writing under oath, made by or on
27 behalf of the person claiming the same, showing the right to the
28 exemption, briefly describing the property for which exemption is
29 claimed and having annexed thereto a certificate of the claimant's
30 honorable discharge or release under honorable circumstances, from
31 active service in any branch of the Armed Forces of the United
32 States and a certificate from the United States Department of
33 **['Veterans'] Veterans Affairs, its predecessor,** or its successor,
34 certifying to a service-connected disability of such claimant of the
35 character described in section 1 of P.L.1948, c.259 (C.54:4-3.30).
36 In the case of a claim by **[a]** the surviving spouse, surviving civil
37 union partner, or surviving domestic partner of such veteran, the
38 claimant shall establish in writing under oath that the claimant is the
39 owner of the legal title to the premises on which exemption is
40 claimed; that the claimant occupies the dwelling house on said
41 premises as the claimant's legal residence in this State; that the
42 veteran shall have been declared, either during the veteran's lifetime
43 or after the veteran's death, by the United States Department of
44 **['Veterans'] Veterans Affairs** to have or to have had a service-
45 connected disability of a character described in this act, or, in the
46 case of a claim for an exemption under subsection c. of section 1 of
47 P.L.1948, c.259 (C.54:4-3.30), that the veteran shall have been
48 declared to have died in active service; that the veteran was entitled

1 to an exemption provided for in this act, except for an exemption
2 under paragraph (2) of subsection b. and subsection c. of section 1
3 hereof, at the time of death; and that the claimant is a resident of
4 this State and has not remarried, has not entered into a new civil
5 union pursuant to R.S.37:1-1 et seq. and P.L.2006, c.103 (C.37:1-28
6 et al.), or has not entered into a new domestic partnership pursuant
7 to section 4 of P.L.2003, c.246 (C.26:8A-4). Such exemptions shall
8 be allowed and prorated by the assessor for the remainder of any
9 taxable year from the date the claimant shall have acquired title to
10 the real property intended to be exempt by this act. Where a portion
11 of a multiple-family building or structure occupied by the claimant
12 is the subject of such exemption, the assessor shall aggregate the
13 assessment on the lot or curtilage and building or structure and
14 allow an exemption of that percentage of the aggregate assessment
15 as the value of the portion of the building or structure occupied by
16 the claimant bears to the value of the entire building or structure.

17 (cf: P.L.2019, c.413, s.2)

18

19 3. Section 3 of P.L.1948, c.259 (C.54:4-3.32) is amended to read
20 as follows:

21 3. The governing body of each municipality, by appropriate
22 resolution, may return all taxes collected on property which would
23 have been exempt had proper claim in writing been made therefor
24 in the manner provided by P.L.1948, c.259 (C.54:4-3.30 et seq.).
25 The governing body of each municipality, by appropriate resolution,
26 may also return to the veteran or the veteran's surviving spouse,
27 surviving civil union partner, or surviving domestic partner all
28 property tax payments made since the time of the veteran's actual
29 disability or since the time of the veteran's death. No refunds shall
30 be made under this section for any year or portion thereof prior to
31 the effective date of P.L.1948, c.259 (C.54:4-3.30 et seq.).

32 (cf: P.L.2007, c.317, s.3)

33

34 4. (New section) As used in P.L.1948, c.259 (C.54:4-3.30 et
35 seq.):

36 "Mental illness" means a mental disorder classified within the
37 American Psychiatric Association Diagnostic and Statistical Manual
38 of Mental Disorders (DSM), including, but not limited to, anxiety
39 disorders, cognitive disorders, adjustment orders, schizophrenia and
40 other psychotic disorders, depression, and post-traumatic stress
41 disorder (PTSD).

42 "Surviving civil union partner" means the surviving member of a
43 civil union entered into pursuant to R.S.37:1-1 et seq. and P.L.2006,
44 c.103 (C.37:1-28 et al.).

45 "Surviving domestic partner" means the surviving member of a
46 domestic partnership established pursuant to section 4 of P.L.2003,
47 c.246 (C.26:8A-4).

1 5. This act shall take effect immediately.

2

3

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STATEMENT

5

6 This bill revises current law regarding the property tax
7 exemption provided to totally disabled, honorably-discharged
8 veterans who incur a 100 percent service-related disability during
9 their service in the United States Armed Forces.

10

11 *Proportional Property Tax Exemption*

12 Under current law, veterans who are not 100 percent totally and
13 permanently disabled are not eligible to receive a proportional
14 property tax exemption. This bill allows all honorably-discharged
15 veterans who have a service-related disability rating resulting from
16 their service in the United States Armed Forces, including those
17 who receive a 100 percent disability determination, to receive a
18 proportional property tax exemption in an amount equal to the
19 degree of their service-connected, permanent disability, as
20 determined by the United States Department of Veterans Affairs
21 (VA). A veteran who was determined by the VA to be 100 percent
22 totally and permanently disabled due to a service-related disability
23 would continue to receive the full property tax exemption under the
24 current exemption statute.

25

26 *Broadening of Eligibility*

27 The bill extends eligibility for the property tax exemption to
28 veterans granted a disability rating due to mental illness.

29 The bill broadens the eligibility criteria for the property tax
30 exemption granted to surviving civil union partners and domestic
31 partners of disabled veterans. The bill extends the property tax
32 exemption to the surviving civil union partner or domestic partner
33 of a disabled veteran until such time as the surviving partner enters
34 into a new civil union, establishes a new domestic partnership, or
35 remarries. The bill also allows the surviving civil union partner or
36 domestic partner to receive the property tax exemption when a
37 disability declaration is granted after the veteran's death.

38 Under current law, only the surviving spouse of a veteran who at
39 the time of death was entitled to the exemption is entitled to receive
40 the same exemption. This bill provides that an eligible surviving
41 spouse, surviving civil union partner, or surviving domestic partner
42 of a deceased disabled veteran, after filing a proper claim with the
43 municipal tax collector, shall be exempt from all property taxation
44 in the succeeding year.