

**SENATE CONCURRENT
RESOLUTION No. 108**

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED JUNE 3, 2024

Sponsored by:
Senator CARMEN F. AMATO, JR.
District 9 (Ocean)

SYNOPSIS

Proposes constitutional amendment to require State reimbursement to municipalities for total property tax exemption provided to veterans having permanent and total service-connected disabilities.

CURRENT VERSION OF TEXT

As introduced.



SCR108 AMATO

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1 A **CONCURRENT RESOLUTION** proposing to amend Article VIII,
2 Section I, paragraph 3 of the New Jersey Constitution.

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4 **BE IT RESOLVED** by the Senate of the State of New Jersey (the
5 General Assembly concurring):

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

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10 PROPOSED AMENDMENT

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12 Amend Article VIII, Section I, paragraph 3 to read as follows:

13 3. a. Any citizen and resident of this State now or hereafter
14 honorably discharged or released under honorable circumstances
15 from active service in any branch of the Armed Forces of the United
16 States shall be entitled, annually to a deduction from the amount of
17 any tax bill for taxes on real and personal property, or both,
18 including taxes attributable to a residential unit held by a
19 stockholder in a cooperative or mutual housing corporation in the
20 sum of \$250 in each tax year, or if the amount of any such tax bill
21 shall be less than \$250, to a cancellation thereof. The deduction or
22 cancellation shall not be altered or repealed. Any person
23 hereinabove described who has been or shall be declared by the
24 United States Department of Veterans Affairs, or its successor, to
25 have a service-connected disability, shall be entitled to such further
26 deduction from taxation as from time to time may be provided by
27 law. The surviving spouse of any citizen and resident of this State
28 who has met or shall meet his or her death on active duty in any
29 such service shall be entitled, during her widowhood or his
30 widowerhood, as the case may be, and while a resident of this State,
31 to the deduction or cancellation in this subsection provided for
32 honorably discharged veterans and to such further deduction as
33 from time to time may be provided by law. The surviving spouse of
34 any citizen and resident of this State who has had or shall hereafter
35 have active service in any branch of the Armed Forces of the United
36 States and who died or shall die while on active duty in any branch
37 of the Armed Forces of the United States, or who has been or may
38 hereafter be honorably discharged or released under honorable
39 circumstances from active service in any branch of the Armed
40 Forces of the United States shall be entitled, during her widowhood
41 or his widowerhood, as the case may be, and while a resident of this
42 State, to the deduction or cancellation in this subsection provided
43 for honorably discharged veterans and to such further deductions as
44 from time to time may be provided by law.

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.

SCR108 AMATO

1 b. A continuing care retirement community shall receive a
2 veterans' property tax deduction on behalf of eligible veterans. The
3 amount of the property tax deduction shall be the dollar amount of
4 the deduction multiplied by the number of eligible veterans
5 receiving the property tax deduction immediately prior to moving
6 into the continuing care retirement community. A person otherwise
7 eligible for the veterans' deduction who is a resident of a continuing
8 care retirement community shall receive the amount of the
9 deduction to the extent of the share of the taxes assessed against the
10 real property of the continuing care retirement community that is
11 attributable to the unit that the resident occupies. The continuing
12 care retirement community shall provide that amount as a payment
13 or credit to the resident. That payment or credit shall be made to
14 the resident no later than 30 days after the continuing care
15 retirement community receives the property tax bill on which the
16 credit appears. A veterans' property tax deduction shall not be paid
17 on behalf of any eligible veteran who resides in a continuing care
18 retirement community that is property tax-exempt. A resident
19 receiving a payment or credit pursuant to this subsection shall not
20 receive a veterans' property tax deduction on any other residence
21 owned in whole or in part by the resident, or any residence in which
22 the resident's spouse is living.

23 The surviving spouse of any citizen and resident of this State
24 who has met or shall meet his or her death on active duty in any
25 such service shall be entitled, during her widowhood or his
26 widowerhood, as the case may be, and while a resident of this State,
27 to the deduction in this subsection provided for honorably
28 discharged veterans. The surviving spouse of any citizen and
29 resident of this State who has had or shall hereafter have active
30 service in any branch of the Armed Forces of the United States and
31 who died or shall die while on active duty in any branch of the
32 Armed Forces of the United States, or who has been or may
33 hereafter be honorably discharged or released under honorable
34 circumstances from active service in any branch of the Armed
35 Forces of the United States shall be entitled, during her widowhood
36 or his widowerhood, as the case may be, and while a resident of this
37 State, to the deduction in this subsection provided for honorably
38 discharged veterans.

39 c. The State shall annually reimburse each municipality in an
40 amount equal to the total amount of property taxes that would have
41 otherwise been due for each property, owned by a person with a
42 service-connected disability who receives a total exemption from
43 taxation as authorized by this section, had the property been taxed
44 the same as other real property within the municipality.

45 The municipality shall reimburse each county, school district, or
46 other local entity that is authorized to impose property taxes within
47 the municipality. Each reimbursement shall be in an amount equal
48 to the property taxes that would have otherwise been due to the

SCR108 AMATO

1 county, school district, or other local entity for each property,
2 owned by a person with a service-connected disability who receives
3 a total exemption from taxation as authorized by this section, had
4 the property been taxed the same as other real property within the
5 county, school district, or other local entity.

6 (cf: Article VIII, Section I, paragraph 3; amended effective
7 December 3, 2020)

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9 2. When this proposed amendment to the Constitution is finally
10 agreed to pursuant to Article IX, paragraph 1 of the Constitution, it
11 shall be submitted to the people at the next general election
12 occurring more than three months after the final agreement and
13 shall be published at least once in at least one newspaper of each
14 county designated by the President of the Senate, the Speaker of the
15 General Assembly and the Secretary of State, not less than three
16 months prior to the general election.

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18 3. This proposed amendment to the Constitution shall be
19 submitted to the people at that election in the following manner and
20 form:

21 There shall be printed on each official ballot to be used at the
22 general election, the following:

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

25 If you favor the proposition printed below make a cross (X), plus
26 (+), or check (✓) in the square opposite the word "Yes." If you are
27 opposed thereto make a cross (X), plus (+) or check (✓) in the
28 square opposite the word "No."

29 b. In every municipality the following question:

SCR108 AMATO

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| YES | <p style="text-align: center;">CONSTITUTIONAL AMENDMENT REQUIRING STATE REIMBURSEMENT FOR TOTAL PROPERTY TAX EXEMPTION TO CERTAIN VETERANS WITH DISABILITIES</p> <p>Do you approve amending the State Constitution to require the State to reimburse municipalities every year for the amount of the total property tax exemption provided to certain veterans with disabilities?</p> <p>Currently, veterans who are totally disabled due to their military service qualify for a 100 percent exemption from paying property taxes. The amount of the State reimbursement would be equal to the amount of property taxes that would have otherwise been due on each property that receives the exemption.</p> <p>A municipality would be required to reimburse any county, school district, or other local entity that is authorized to tax property in the municipality. The amount of the payment to each entity would be based on the amount of property taxes that would have been owed to each entity from each exempt property.</p> |
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SCR108 AMATO

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| NO | <p style="text-align: center;">INTERPRETIVE STATEMENT</p> <p>This constitutional amendment would require the State to reimburse municipalities every year for the amount of the total property tax exemption provided to certain veterans with disabilities. Currently, veterans who are totally disabled due to their military service qualify for a 100 percent exemption from paying property taxes.</p> <p>Currently, municipalities are not reimbursed for the property taxes they would have otherwise received from tax-exempt properties. As a result, the burden of this exemption is shifted onto property owners that do not receive an exemption. The result can be higher taxes on the remaining nonexempt properties.</p> <p>Counties, school districts, and other local entities also impose property taxes. Municipalities collect the property taxes on behalf of the local entities, and then disburse the property taxes owed to each local entity. Like municipalities, these local entities are not reimbursed for the costs of providing property tax exemptions. This amendment would require a municipality to make payments to each of these local entities from the total State reimbursement. The amount of each payment would be equal to the amount of property taxes each entity would have received from each tax-exempt property.</p> |
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STATEMENT

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This concurrent resolution proposes an amendment to the State Constitution to require the State to annually reimburse municipalities for the lost property tax revenue related to providing a 100 percent property tax exemption to certain veterans with disabilities.

Under current law, veterans having permanent and total service-connected disabilities may qualify for a property tax exemption equal to the full amount of their property tax bill. However, the State is not required to reimburse municipalities for the costs related to the total property tax exemption. Accordingly, counties, school districts, and other local entities that are authorized to impose property taxes are not themselves reimbursed for the costs related to the total property tax exemption provided to certain veterans with disabilities.

Although property tax exemptions do not reduce the total amount of property tax revenue collected by a municipality, exempting some properties from taxation shifts the tax burden onto other, nonexempt properties within the municipality. As a result, property tax exemptions may lead to an increase in property taxes for the owners of nonexempt properties.

This constitutional amendment would require the State to provide an annual reimbursement to municipalities for the total amount of the total property tax exemption provided to veterans having permanent and total service-connected disabilities. Specifically, the amount of the annual reimbursement would be equal to the total value of property taxes that would have otherwise been collected by the municipality for each property receiving the total property tax exemption provided to veterans having permanent and total service-connected disabilities. A municipality would be required to reimburse each county, school district, and other local entity that is authorized to impose property tax in that municipality. Each reimbursement would be in an amount equal to the property taxes that would have otherwise been due to the county, school district, or other local entity from each tax-exempt property.