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No

RWH 6/5/08

P.L. 2007, CHAPTER 317, *approved January 13, 2008*  
Assembly, No. 2426

1 AN ACT concerning certain disabled veterans' property tax  
2 exemption claims and amending 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 read  
8 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 time of war, in any branch of  
13 the Armed Forces of the United States, who has been or shall be  
14 declared by the United States Veterans Administration or its  
15 successor to have a service-connected disability from paraplegia,  
16 sarcoidosis, osteochondritis resulting in permanent loss of the use of  
17 both legs, or permanent paralysis of both legs and lower parts of the  
18 body, or from hemiplegia and has permanent paralysis of one leg  
19 and one arm or either side of the body, resulting from injury to the  
20 spinal cord, skeletal structure, or brain or from disease of the spinal  
21 cord not resulting from any form of syphilis; or from total  
22 blindness; or from amputation of both arms or both legs, or both  
23 hands or both feet, or the combination of a hand and a foot; or from  
24 other service-connected disability declared by the United States  
25 Veterans Administration or its successor to be a total or 100%  
26 permanent disability, and not so evaluated solely because of  
27 hospitalization or surgery and recuperation, sustained through  
28 enemy action, or accident, or resulting from disease contracted  
29 while in such active service, shall be exempt from taxation, on  
30 proper claim made therefor, and such exemption shall be in addition  
31 to any other exemption of such person's real and personal property  
32 which now is or hereafter shall be prescribed or allowed by the  
33 Constitution or by law but no taxpayer shall be allowed more than  
34 one exemption under this act.

35 b. (1) The surviving spouse of any such citizen and resident of  
36 this State, who at the time of death was entitled to the exemption  
37 provided under this act, shall be entitled, on proper claim made  
38 therefor, to the same exemption as the deceased had, during the  
39 surviving spouse's widowhood or widowerhood, as the case may be,  
40 and while a resident of this State, for the time that the surviving  
41 spouse is the legal owner thereof and actually occupies the said  
42 dwelling house or any other dwelling house thereafter acquired.

43 (2) The surviving spouse of any citizen and resident of this State  
44 who was honorably discharged and, after the citizen and resident's

**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 death, is declared to have suffered a service-connected disability as  
2 provided in subsection a. of this section, shall be entitled, on proper  
3 claim made therefor, to the same exemption the deceased would  
4 have become eligible for. The exemption shall continue during the  
5 surviving spouse's widowhood or widowerhood, as the case may be,  
6 and while a resident of this State, for the time that the surviving  
7 spouse is the legal owner thereof and actually occupies the dwelling  
8 house or any other dwelling house thereafter acquired.

9 c. The surviving spouse of any citizen and resident of this State,  
10 who died in active service in time of war in any branch of the  
11 Armed Forces of the United States, shall be entitled, on proper  
12 claim made therefor, to an exemption from taxation on the dwelling  
13 house and lot or curtilage whereon the same is erected, during the  
14 surviving spouse's widowhood or widowerhood, as the case may be,  
15 and while a resident of this State, for the time that the surviving  
16 spouse is the legal owner thereof and actually occupies the said  
17 dwelling or any other dwelling house thereafter acquired.

18 d. The surviving spouse of any citizen and resident of this State  
19 who died prior to January 10, 1972, that being the effective date of  
20 P.L.1971, c.398, and whose circumstances were such that, had said  
21 law become effective during the deceased's lifetime, the deceased  
22 would have become eligible for the exemption granted under this  
23 section as amended by said law, shall be entitled, on proper claim  
24 made therefor, to the same exemption as the deceased would have  
25 become eligible for upon the dwelling house and lot or curtilage  
26 occupied by the deceased at the time of death, during the surviving  
27 spouse's widowhood or widowerhood, as the case may be, and  
28 while a resident of this State, for the time that the surviving spouse  
29 is the legal owner thereof and actually occupies the said dwelling  
30 house on the premises to be exempted.

31 e. Nothing in this act shall be intended to include paraplegia or  
32 hemiplegia resulting from locomotor ataxia or other forms of  
33 syphilis of the central nervous system, or from chronic alcoholism,  
34 or to include other forms of disease resulting from the veteran's own  
35 misconduct which may produce signs and symptoms similar to  
36 those resulting from paraplegia, osteochondritis, or hemiplegia.  
37 (cf: P.L.1985, c.515, s.2)

38

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

41 2. All exemptions from taxation under this act shall be allowed  
42 by the assessor upon the filing with him of a claim in writing under  
43 oath, made by or on behalf of the person claiming the same,  
44 showing the right to the exemption, briefly describing the property  
45 for which exemption is claimed and having annexed thereto a  
46 certificate of the claimant's honorable discharge or release under  
47 honorable circumstances, from active service, in time of war, in any  
48 branch of the armed forces and a certificate from the United States

1 Veterans Administration or its successor, certifying to a  
2 service-connected disability of such claimant of the character  
3 described in section 1 of this act. In the case of a claim by a  
4 surviving spouse of such veteran, the claimant shall establish in  
5 writing under oath that the claimant is the owner of the legal title to  
6 the premises on which exemption is claimed; that the claimant  
7 occupies the dwelling house on said premises as the claimant's legal  
8 residence in this State; that the veteran shall have been declared,  
9 either during the veteran's lifetime or after the veteran's death, by  
10 the United States Veterans Administration to have or to have had a  
11 service-connected disability of a character described in this act, or,  
12 in the case of a claim for an exemption under subsection c. of  
13 section 1 of this act (C.54:4-3.30), that the veteran shall have been  
14 declared to have died in active service in time of war; that the  
15 veteran was entitled to an exemption provided for in this act, except  
16 for an exemption under paragraph (2) of subsection b. and  
17 subsection c. of section 1 hereof, at the time of death; and that the  
18 claimant is a resident of this State and has not remarried. Such  
19 exemptions shall be allowed and prorated by the assessor for the  
20 remainder of any taxable year from the date the claimant shall have  
21 acquired title to the real property intended to be exempt by this act.  
22 Where a portion of a multiple-family building or structure occupied  
23 by the claimant is the subject of such exemption, the assessor shall  
24 aggregate the assessment on the lot or curtilage and building or  
25 structure and allow an exemption of that percentage of the  
26 aggregate assessment as the value of the portion of the building or  
27 structure occupied by the claimant bears to the value of the entire  
28 building or structure.

29 (cf: P.L.1985, c.515, s.3)

30

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

33 3. The governing body of each municipality, by appropriate  
34 resolution, may return all taxes collected on property which would  
35 have been exempt had proper claim in writing been made therefor  
36 in the manner provided by this act [ ;provided, however, that such ] .  
37 The governing body of each municipality, by appropriate resolution,  
38 may also return to the veteran or the veteran's surviving spouse all  
39 property tax payments made since the time of the veteran's actual  
40 disability or since the time of the veteran's death. No refunds shall  
41 [not] be made under this section for any year or portion thereof  
42 prior to the effective date of [ this act ] P.L.1948, c.259 (C.54:4-3.30  
43 et seq.).

44 (cf: P.L.1948, c.259, s.3)

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46 4. This act shall take effect immediately.

STATEMENT

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Current law exempts certain veterans and their surviving spouses from paying property taxes on their place of residence upon the filing of a claim with the municipal tax assessor. To qualify for this exemption a veteran must have been honorably discharged from any branch of the United States Armed Forces and must have been declared to have a 100% permanent disability that is service-connected. The law also allows the surviving spouse of a veteran who at the time of death was receiving the tax exemption to continue to receive the tax exemption. The exemption ends when the surviving spouse remarries, ceases to be the legal owner of the property, moves out of the State, or ceases to occupy the dwelling unit or any other dwelling unit thereafter acquired.

This bill amends sections 1, 2 and 3 of P.L.1948, c.259 (C.54:4-3.30, C.54:4-3.31 and C.54:4-3.32, respectively), in order to expand the eligibility criteria to include the surviving spouse of a veteran whose disability declaration is granted after the death of the veteran. This bill also empowers municipalities to refund, at their discretion, all taxes paid since the time of the veteran's actual disability, or since the time of death.

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Allows disabled veteran's surviving spouse to claim property tax exemption when veteran's disability declaration is granted after death.

**ASSEMBLY, No. 2426**

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**STATE OF NEW JERSEY**

**212th LEGISLATURE**

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INTRODUCED FEBRUARY 6, 2006

**Sponsored by:**

**Assemblyman UPENDRA J. CHIVUKULA**

**District 17 (Middlesex and Somerset)**

**Assemblyman JOSEPH VAS**

**District 19 (Middlesex)**

**Assemblyman JOHN S. WISNIEWSKI**

**District 19 (Middlesex)**

**Co-Sponsored by:**

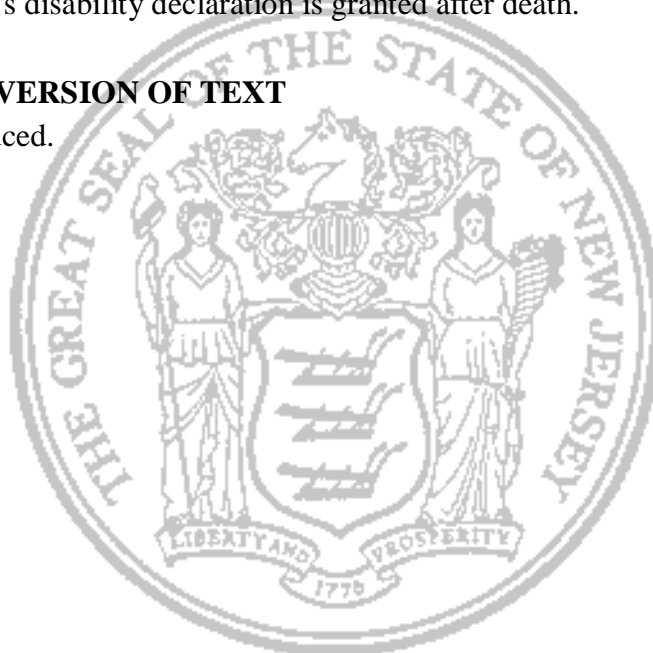
**Assemblymen Thompson, Mayer, Conaway, Connors, Senators Doria,  
Sarlo, Madden, Bucco and Allen**

**SYNOPSIS**

Allows disabled veteran's surviving spouse to claim property tax exemption when veteran's disability declaration is granted after death.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 1/4/2008)**

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2 exemption claims and amending P.L.1948, c.259.

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13 the Armed Forces of the United States, who has been or shall be  
14 declared by the United States Veterans Administration or its  
15 successor to have a service-connected disability from paraplegia,  
16 sarcoidosis, osteochondritis resulting in permanent loss of the use of  
17 both legs, or permanent paralysis of both legs and lower parts of the  
18 body, or from hemiplegia and has permanent paralysis of one leg  
19 and one arm or either side of the body, resulting from injury to the  
20 spinal cord, skeletal structure, or brain or from disease of the spinal  
21 cord not resulting from any form of syphilis; or from total  
22 blindness; or from amputation of both arms or both legs, or both  
23 hands or both feet, or the combination of a hand and a foot; or from  
24 other service-connected disability declared by the United States  
25 Veterans Administration or its successor to be a total or 100%  
26 permanent disability, and not so evaluated solely because of  
27 hospitalization or surgery and recuperation, sustained through  
28 enemy action, or accident, or resulting from disease contracted  
29 while in such active service, shall be exempt from taxation, on  
30 proper claim made therefor, and such exemption shall be in addition  
31 to any other exemption of such person's real and personal property  
32 which now is or hereafter shall be prescribed or allowed by the  
33 Constitution or by law but no taxpayer shall be allowed more than  
34 one exemption under this act.

35 b. (1) The surviving spouse of any such citizen and resident of  
36 this State, who at the time of death was entitled to the exemption  
37 provided under this act, shall be entitled, on proper claim made  
38 therefor, to the same exemption as the deceased had, during the  
39 surviving spouse's widowhood or widowerhood, as the case may be,  
40 and while a resident of this State, for the time that the surviving  
41 spouse is the legal owner thereof and actually occupies the said  
42 dwelling house or any other dwelling house thereafter acquired.

43 (2) The surviving spouse of any citizen and resident of this State  
44 who was honorably discharged and, after the citizen and resident's  
45 death, is declared to have suffered a service-connected disability as

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**Matter underlined thus is new matter.**



1 provided in subsection a. of this section, shall be entitled, on proper  
2 claim made therefor, to the same exemption the deceased would  
3 have become eligible for. The exemption shall continue during the  
4 surviving spouse's widowhood or widowerhood, as the case may be,  
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47 branch of the armed forces and a certificate from the United States  
48 Veterans Administration or its successor, certifying to a

1 service-connected disability of such claimant of the character  
2 described in section 1 of this act. In the case of a claim by a  
3 surviving spouse of such veteran, the claimant shall establish in  
4 writing under oath that the claimant is the owner of the legal title to  
5 the premises on which exemption is claimed; that the claimant  
6 occupies the dwelling house on said premises as the claimant's legal  
7 residence in this State; that the veteran shall have been declared,  
8 either during the veteran's lifetime or after the veteran's death, by  
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16 subsection c. of section 1 hereof, at the time of death; and that the  
17 claimant is a resident of this State and has not remarried. Such  
18 exemptions shall be allowed and prorated by the assessor for the  
19 remainder of any taxable year from the date the claimant shall have  
20 acquired title to the real property intended to be exempt by this act.  
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22 by the claimant is the subject of such exemption, the assessor shall  
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24 structure and allow an exemption of that percentage of the  
25 aggregate assessment as the value of the portion of the building or  
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36 The governing body of each municipality, by appropriate resolution,  
37 may also return to the veteran or the veteran's surviving spouse all  
38 property tax payments made since the time of the veteran's actual  
39 disability or since the time of the veteran's death. No refunds shall  
40 [ not ] be made under this section for any year or portion thereof  
41 prior to the effective date of [ this act ] P.L.1948, c.259 (C.54:4-3.30  
42 et seq.).

43 (cf: P.L.1948, c.259, s.3)

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45 4. This act shall take effect immediately.

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Current law exempts certain veterans and their surviving spouses from paying property taxes on their place of residence upon the filing of a claim with the municipal tax assessor. To qualify for this exemption a veteran must have been honorably discharged from any branch of the United States Armed Forces and must have been declared to have a 100% permanent disability that is service-connected. The law also allows the surviving spouse of a veteran who at the time of death was receiving the tax exemption to continue to receive the tax exemption. The exemption ends when the surviving spouse remarries, ceases to be the legal owner of the property, moves out of the State, or ceases to occupy the dwelling unit or any other dwelling unit thereafter acquired.

This bill amends sections 1, 2 and 3 of P.L.1948, c.259 (C.54:4-3.30, C.54:4-3.31 and C.54:4-3.32, respectively), in order to expand the eligibility criteria to include the surviving spouse of a veteran whose disability declaration is granted after the death of the veteran. This bill also empowers municipalities to refund, at their discretion, all taxes paid since the time of the veteran's actual disability, or since the time of death.

ASSEMBLY HOUSING AND LOCAL GOVERNMENT  
COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 2426**

**STATE OF NEW JERSEY**

DATED: JUNE 12, 2006

The Assembly Housing and Local Government Committee reports favorably Assembly Bill No. 2426.

Current law exempts certain veterans and their surviving spouses from paying property taxes on their place of residence upon the filing of a claim with the municipal tax assessor. To qualify for this exemption, a veteran must have been honorably discharged from any branch of the United States Armed Forces and must have been declared to have a 100% permanent disability that is service-connected. The law also allows the surviving spouse of a veteran who at the time of death was receiving the tax exemption to continue to receive the tax exemption. The exemption ends when the surviving spouse remarries, ceases to be the legal owner of the property, moves out of the State, or ceases to occupy the dwelling unit or any other dwelling unit thereafter acquired.

This bill amends sections 1, 2 and 3 of P.L.1948, c.259 (C.54:4-3.30, C.54:4-3.31 and C.54:4-3.32, respectively), in order to expand the eligibility criteria to include the surviving spouse of a veteran whose disability declaration is granted after the death of the veteran. This bill also empowers municipalities to refund, at their discretion, all taxes paid since the time of the veteran's actual disability, or since the time of death.

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### ASSEMBLY, No. 2426

# STATE OF NEW JERSEY

DATED: DECEMBER 3, 2007

The Senate Budget and Appropriations Committee reports favorably Assembly Bill No. 2426.

This bill allows a disabled veteran's surviving spouse to claim a disabled veterans property tax exemption when the veteran's disability declaration is granted after the death of the veteran. The bill also permits municipalities, at its discretion, to refund all taxes paid since the time of the veteran's actual disability, or since the time of death.

Under current law, to qualify for this exemption a veteran must have been honorably discharged from any branch of the United States Armed Forces and must have been declared to have a 100% permanent disability that is service-connected. Current law allows the surviving spouse of a veteran who at the time of death was receiving the tax exemption to continue to receive the tax exemption.

This bill would expand the current criteria so that the surviving spouse of a veteran whose disability declaration is granted *after* the death of the veteran would be eligible.

As under current law, the exemption would end when the surviving spouse remarries, ceases to be the legal owner of the property, moves out of the State, or ceases to occupy the dwelling unit or any other dwelling unit thereafter acquired.

This bill is identical to Senate Bill No. 188, as also reported by the committee.

#### FISCAL IMPACT:

Although the Office of Legislative Services (OLS) cannot predict the number of surviving spouses of 100 percent disabled veterans to whom this legislation would apply, the OLS anticipates that this number would be minimal. As a result, very few municipalities are likely to be impacted. Moreover, any potential loss of property tax revenue resulting from the tax exemption granted under this bill would be absorbed by all other municipal taxpayers within the taxing district.

**LEGISLATIVE FISCAL ESTIMATE**  
**ASSEMBLY, No. 2426**  
**STATE OF NEW JERSEY**  
**212th LEGISLATURE**

DATED: JUNE 26, 2007

**SUMMARY**

- Synopsis:** Allows disabled veteran's surviving spouse to claim property tax exemption when veteran's disability declaration is granted after death.
- Type of Impact:** Municipal cost of reimbursing veteran's surviving spouse for property taxes paid.
- Agencies Affected:** Municipalities.

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
<b>Loss of Revenue</b>	Minimal potential loss of property tax revenue to municipalities resulting from 100 % property tax exemption granted to disabled veteran's surviving spouse.		

- The Office of Legislative Services (OLS) estimates that the number of surviving spouses of 100 percent disabled veterans who may qualify under this bill will likely be minimal and therefore the bill's fiscal impact will affect very few municipalities.
- The OLS is unable to provide a precise estimate for the cost of this bill to municipalities because OLS cannot predict the number of totally disabled veteran homeowners who will die before the United States Department of Military and Veterans Affairs is able to officially declare that the veteran has received a 100 percent war time related disability, which would then qualify their surviving spouse for a full property tax exemption on their primary residence.
- This bill expands the eligibility criteria for a totally disabled veterans property tax exemption to include the surviving spouse of a veteran whose disability declaration is granted after the death of the veteran.
- This bill also permits municipalities, at their discretion to refund all taxes paid since the time of the veteran's actual disability, or since the time of death.

- The average annual residential property tax in New Jersey was \$6,331 in 2006, \$5,914 in 2005, \$5,513 in 2004, \$5,185 in 2003, and \$4,961 in 2002.

## **BILL DESCRIPTION**

Assembly Bill No. 2426 of 2006 expands the eligibility criteria for a totally disabled veterans property tax exemption to include the surviving spouse of a veteran whose disability declaration is granted after the death of the veteran. This bill also permits municipalities, at their discretion to refund all taxes paid since the time of the veteran's actual disability, or since the time of death.

Current law exempts certain veterans and their surviving spouses from paying property taxes on their place of residence upon the filing of a claim with the municipal tax assessor. To qualify for this exemption, a veteran must have been honorably discharged from any branch of the United States Armed Forces and must have been declared to have a 100 percent permanent disability that is service-connected. The law also allows the surviving spouse of a veteran who at the time of death was receiving the tax exemption to continue to receive the tax exemption. The exemption ends when the surviving spouse remarries, ceases to be the legal owner of the property, moves out of the State, or ceases to occupy the dwelling unit or any other dwelling unit thereafter acquired.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS is unable to provide an estimate for the cost of this bill to municipalities, because OLS cannot predict the number of totally disabled veteran homeowners who will die before the United States Department of Military and Veterans Affairs is able to officially declare the veteran has received a 100% war time related disability which would then qualify their surviving spouse for a full property tax exemption on their primary residence. Furthermore, OLS is unable to provide an estimate for the amount property tax revenue that municipalities may choose to reimburse the surviving spouses of 100 percent disabled veterans who become eligible for reimbursement because OLS cannot predict how many municipalities will adopt resolutions requiring property tax reimbursement payments to those qualifying spouses of deceased 100 percent disabled veterans. The OLS notes however, the potential loss of property tax revenue resulting from the tax exemption granted under this bill would have to be absorbed by all other municipal taxpayers within the taxing district. The average annual residential property tax in New Jersey was \$6,331 in 2006, \$5,914 in 2005, \$5,513 in 2004, \$5,185 in 2003, and \$4,961 in 2002.

*Section:* Local Government

*Analyst:* Pedro Carrasquillo  
Associate Fiscal Analyst

*Approved:* David J. Rosen  
Legislative Budget and Finance Officer

A2426

3

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L. 1980, c.67.



# SENATE, No. 188

## STATE OF NEW JERSEY 212th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2006 SESSION

**Sponsored by:**

**Senator JOSEPH V. DORIA, JR.**

**District 31 (Hudson)**

**Senator PAUL A. SARLO**

**District 36 (Bergen, Essex and Passaic)**

**Co-Sponsored by:**

**Senators Madden and Bucco**

**SYNOPSIS**

Allows disabled veteran's surviving spouse to claim property tax exemption when veteran's disability declaration is granted after death.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel



S188 DORIA, SARLO

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16 sarcoidosis, osteochondritis resulting in permanent loss of the use of  
17 both legs, or permanent paralysis of both legs and lower parts of the  
18 body, or from hemiplegia and has permanent paralysis of one leg  
19 and one arm or either side of the body, resulting from injury to the  
20 spinal cord, skeletal structure, or brain or from disease of the spinal  
21 cord not resulting from any form of syphilis; or from total  
22 blindness; or from amputation of both arms or both legs, or both  
23 hands or both feet, or the combination of a hand and a foot; or from  
24 other service-connected disability declared by the United States  
25 Veterans Administration or its successor to be a total or 100%  
26 permanent disability, and not so evaluated solely because of  
27 hospitalization or surgery and recuperation, sustained through  
28 enemy action, or accident, or resulting from disease contracted  
29 while in such active service, shall be exempt from taxation, on  
30 proper claim made therefor, and such exemption shall be in addition  
31 to any other exemption of such person's real and personal property  
32 which now is or hereafter shall be prescribed or allowed by the  
33 Constitution or by law but no taxpayer shall be allowed more than  
34 one exemption under this act.

35 b. (1) The surviving spouse of any such citizen and resident of  
36 this State, who at the time of death was entitled to the exemption  
37 provided under this act, shall be entitled, on proper claim made  
38 therefor, to the same exemption as the deceased had, during the  
39 surviving spouse's widowhood or widowerhood, as the case may be,  
40 and while a resident of this State, for the time that the surviving  
41 spouse is the legal owner thereof and actually occupies the said  
42 dwelling house or any other dwelling house thereafter acquired.

43 (2) The surviving spouse of any citizen and resident of this State  
44 who was honorably discharged and, after the citizen and resident's  
45 death, is declared to have suffered a service-connected disability as

**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 provided in subsection a. of this section, shall be entitled, on proper  
2 claim made therefor, to the same exemption the deceased would  
3 have become eligible for. The exemption shall continue during the  
4 surviving spouse's widowhood or widowerhood, as the case may be,  
5 and while a resident of this State, for the time that the surviving  
6 spouse is the legal owner thereof and actually occupies the dwelling  
7 house or any other dwelling house thereafter acquired.

8 c. The surviving spouse of any citizen and resident of this State,  
9 who died in active service in time of war in any branch of the  
10 Armed Forces of the United States, shall be entitled, on proper  
11 claim made therefor, to an exemption from taxation on the dwelling  
12 house and lot or curtilage whereon the same is erected, during the  
13 surviving spouse's widowhood or widowerhood, as the case may be,  
14 and while a resident of this State, for the time that the surviving  
15 spouse is the legal owner thereof and actually occupies the said  
16 dwelling or any other dwelling house thereafter acquired.

17 d. The surviving spouse of any citizen and resident of this State  
18 who died prior to January 10, 1972, that being the effective date of  
19 P.L.1971, c.398, and whose circumstances were such that, had said  
20 law become effective during the deceased's lifetime, the deceased  
21 would have become eligible for the exemption granted under this  
22 section as amended by said law, shall be entitled, on proper claim  
23 made therefor, to the same exemption as the deceased would have  
24 become eligible for upon the dwelling house and lot or curtilage  
25 occupied by the deceased at the time of death, during the surviving  
26 spouse's widowhood or widowerhood, as the case may be, and  
27 while a resident of this State, for the time that the surviving spouse  
28 is the legal owner thereof and actually occupies the said dwelling  
29 house on the premises to be exempted.

30 e. Nothing in this act shall be intended to include paraplegia or  
31 hemiplegia resulting from locomotor ataxia or other forms of  
32 syphilis of the central nervous system, or from chronic alcoholism,  
33 or to include other forms of disease resulting from the veteran's own  
34 misconduct which may produce signs and symptoms similar to  
35 those resulting from paraplegia, osteochondritis, or hemiplegia.

36 (cf: P.L.1985, c.515, s.2)

37

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

40 2. All exemptions from taxation under this act shall be allowed  
41 by the assessor upon the filing with him of a claim in writing under  
42 oath, made by or on behalf of the person claiming the same,  
43 showing the right to the exemption, briefly describing the property  
44 for which exemption is claimed and having annexed thereto a  
45 certificate of the claimant's honorable discharge or release under  
46 honorable circumstances, from active service, in time of war, in any  
47 branch of the armed forces and a certificate from the United States  
48 Veterans Administration or its successor, certifying to a service-

1 connected disability of such claimant of the character described in  
2 section 1 of this act. In the case of a claim by a surviving spouse of  
3 such veteran, the claimant shall establish in writing under oath that  
4 the claimant is the owner of the legal title to the premises on which  
5 exemption is claimed; that the claimant occupies the dwelling house  
6 on said premises as the claimant's legal residence in this State; that  
7 the veteran shall have been declared, either during the veteran's  
8 lifetime or after the veteran's death, by the United States Veterans  
9 Administration to have or to have had a service-connected disability  
10 of a character described in this act, or, in the case of a claim for an  
11 exemption under subsection c. of section 1 of this act (C.54:4-3.30),  
12 that the veteran shall have been declared to have died in active  
13 service in time of war; that the veteran was entitled to an exemption  
14 provided for in this act, except for an exemption under paragraph  
15 (2) of subsection b. and subsection c. of section 1 hereof, at the time  
16 of death; and that the claimant is a resident of this State and has not  
17 remarried. Such exemptions shall be allowed and prorated by the  
18 assessor for the remainder of any taxable year from the date the  
19 claimant shall have acquired title to the real property intended to be  
20 exempt by this act. Where a portion of a multiple-family building or  
21 structure occupied by the claimant is the subject of such exemption,  
22 the assessor shall aggregate the assessment on the lot or curtilage  
23 and building or structure and allow an exemption of that percentage  
24 of the aggregate assessment as the value of the portion of the  
25 building or structure occupied by the claimant bears to the value of  
26 the entire building or structure.

27 (cf: P.L.1985, c.515, s.3)

28

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

31 3. The governing body of each municipality, by appropriate  
32 resolution, may return all taxes collected on property which would  
33 have been exempt had proper claim in writing been made therefor  
34 in the manner provided by this act[;provided, however, that such].  
35 The governing body of each municipality, by appropriate resolution,  
36 may also return to the veteran or the veteran's surviving spouse all  
37 property tax payments made since the time of the veteran's actual  
38 disability or since the time of the veteran's death. No refunds shall  
39 [not] be made under this section for any year or portion thereof  
40 prior to the effective date of [this act] P.L.1948, c.259 (C.54:4-3.30  
41 et seq.).

42 (cf: P.L.1948, c.259, s.3)

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44 4. This act shall take effect immediately.

STATEMENT

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This bill allows a disabled veteran's surviving spouse to claim the disabled veterans' property tax exemption when the veteran's disability declaration is granted after the veteran's death.

Under current law, to qualify for this exemption a veteran must have been honorably discharged from any branch of the United States Armed Forces and must have been declared to have a 100% permanent disability that is service-connected. The law also allows the surviving spouse of a veteran who at the time of death was receiving the tax exemption to continue to receive the tax exemption.

This bill amends sections 1, 2 and 3 of P.L.1948, c.259 (C.54:4-3.30, C.54:4-3.31 and C.54:4-3.32, respectively), in order to expand the eligibility criteria to include the surviving spouse of a veteran whose disability declaration is granted *after* the death of the veteran.

As under current law, the exemption ends when the surviving spouse remarries, ceases to be the legal owner of the property, moves out of the State, or ceases to occupy the dwelling unit or any other dwelling unit thereafter acquired.

The bill also empowers municipalities to refund, at their discretion, all taxes paid since the time of the veteran's actual disability, or since the time of death.

# SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

## STATEMENT TO

### SENATE, No. 188

# STATE OF NEW JERSEY

DATED: MAY 11, 2006

The Senate Community and Urban Affairs Committee reports favorably Senate Bill No. 188.

This bill would allow a disabled veteran's surviving spouse to claim a disabled veterans' property tax exemption when the veteran's disability declaration is granted after the veteran's death.

Under current law, to qualify for this exemption a veteran must have been honorably discharged from any branch of the United States Armed Forces and must have been declared to have a 100% permanent disability that is service-connected. Current law allows the surviving spouse of a veteran who at the time of death was receiving the tax exemption to continue to receive the tax exemption.

This bill would expand the current criteria so that the surviving spouse of a veteran whose disability declaration is granted *after* the death of the veteran would be eligible.

As under current law, the exemption would end when the surviving spouse remarries, ceases to be the legal owner of the property, moves out of the State, or ceases to occupy the dwelling unit or any other dwelling unit thereafter acquired.

The bill would also empower municipalities to refund, at their discretion, all taxes paid since the time of the veteran's actual disability, or since the time of death.

This bill was pre-filed for introduction in the 2006-2007 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### SENATE, No. 188

# STATE OF NEW JERSEY

DATED: DECEMBER 3, 2007

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 188.

This bill allows a disabled veteran's surviving spouse to claim a disabled veterans property tax exemption when the veteran's disability declaration is granted after the death of the veteran. The bill also permits municipalities, at its discretion, to refund all taxes paid since the time of the veteran's actual disability, or since the time of death.

Under current law, to qualify for this exemption a veteran must have been honorably discharged from any branch of the United States Armed Forces and must have been declared to have a 100% permanent disability that is service-connected. Current law allows the surviving spouse of a veteran who at the time of death was receiving the tax exemption to continue to receive the tax exemption.

This bill would expand the current criteria so that the surviving spouse of a veteran whose disability declaration is granted *after* the death of the veteran would be eligible.

As under current law, the exemption would end when the surviving spouse remarries, ceases to be the legal owner of the property, moves out of the State, or ceases to occupy the dwelling unit or any other dwelling unit thereafter acquired.

This bill is identical to Assembly Bill No. 2426, as also reported by the committee.

#### FISCAL IMPACT:

Although the Office of Legislative Services (OLS) cannot predict the number of surviving spouses of 100 percent disabled veterans to whom this legislation would apply, the OLS anticipates that this number would be minimal. As a result, very few municipalities are likely to be impacted. Moreover, any potential loss of property tax revenue resulting from the tax exemption granted under this bill would be absorbed by all other municipal taxpayers within the taxing district.

**LEGISLATIVE FISCAL ESTIMATE**  
**SENATE, No. 188**  
**STATE OF NEW JERSEY**  
**212th LEGISLATURE**

DATED: JUNE 25, 2007

**SUMMARY**

**Synopsis:** Allows disabled veteran's surviving spouse to claim property tax exemption when veteran's disability declaration is granted after death.

**Type of Impact:** Municipal cost of reimbursing veteran's surviving spouse for property taxes paid.

**Agencies Affected:** Municipalities.

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<u><b>Year 1</b></u>	<u><b>Year 2</b></u>	<u><b>Year 3</b></u>
<b>Loss of Revenue</b>	Minimal potential loss of property tax revenue to municipalities resulting from 100% property tax exemption granted to disabled veteran's surviving spouse.		

- The Office of Legislative Services (OLS) estimates that the number of surviving spouses of 100 percent disabled veterans who may qualify under this bill will likely be minimal and therefore the bill's fiscal impact will affect very few municipalities.
- The OLS is unable to provide a precise estimate for the cost of this bill to municipalities because OLS cannot predict the number of totally disabled veteran homeowners who will die before the United States Department of Military and Veterans Affairs is able to officially declare the veteran has received a 100 percent war time related disability, which would then qualify their surviving spouse for a full property tax exemption on their primary residence.
- This bill expands the eligibility criteria for a totally disabled veterans property tax exemption to include the surviving spouse of a veteran whose disability declaration is granted after the death of the veteran.
- This bill also permits municipalities, at their discretion to refund all taxes paid since the time of the veteran's actual disability, or since the time of death.
- The average annual residential property tax in New Jersey was \$6,331 in 2006, \$5,914 in 2005, \$5,513 in 2004, \$5,185 in 2003, and \$4,961 in 2002.



## **BILL DESCRIPTION**

Senate Bill No. 188 of 2006 expands the eligibility criteria for a totally disabled veterans property tax exemption to include the surviving spouse of a veteran whose disability declaration is granted after the death of the veteran. This bill also permits municipalities, at their discretion to refund all taxes paid since the time of the veteran's actual disability, or since the time of death.

Current law exempts certain veterans and their surviving spouses from paying property taxes on their place of residence upon the filing of a claim with the municipal tax assessor. To qualify for this exemption, a veteran must have been honorably discharged from any branch of the United States Armed Forces and must have been declared to have a 100 percent permanent disability that is service-connected. The law also allows the surviving spouse of a veteran who at the time of death was receiving the tax exemption to continue to receive the tax exemption. The exemption ends when the surviving spouse remarries, ceases to be the legal owner of the property, moves out of the State, or ceases to occupy the dwelling unit or any other dwelling unit thereafter acquired.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS is unable to provide an estimate for the cost of this bill to municipalities, because OLS cannot predict the number of totally disabled veteran homeowners who will die before the United States Department of Military and Veterans Affairs is able to officially declare the veteran has received a 100 percent war time related disability which would then qualify their surviving spouse for a full property tax exemption on their primary residence. Furthermore, OLS is unable to provide an estimate for the amount property tax revenue that municipalities may choose to reimburse the surviving spouses of 100 percent disabled veterans who become eligible for reimbursement because OLS cannot predict how many municipalities will adopt resolutions requiring property tax reimbursement payments to those qualifying spouses of deceased 100 percent disabled veterans. The OLS notes however, the potential loss of property tax revenue resulting from the tax exemption granted under this bill would have to be absorbed by all other municipal taxpayers within the taxing district. The average annual residential property tax in New Jersey was \$6,331 in 2006, \$5,914 in 2005, \$5,513 in 2004, \$5,185 in 2003, and \$4,961 in 2002.

*Section:* Local Government

*Analyst:* Pedro Carrasquillo  
Associate Fiscal Analyst

*Approved:* David J. Rosen  
Legislative Budget and Finance Officer

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.