

Article VIII, Section I, Paragraph 3 New Jersey Constitution

LEGISLATIVE HISTORY CHECKLIST

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(Extends veterans' property tax deduction to continuing care retirement communities)

New Jersey Constitution: Article VIII, Section I, Paragraph 3

BILL NO: SCR110

SPONSOR: Gopal, Madden, Benson, Murphy, Freiman, Brown, Greenstein, Pennacchio, Cruz-Perez, Bateman, Johnson, Schaer, Mosquera, Houghtaling, Downey, McKnight, Space, Wirths

DATE INTRODUCED: 3/12/2018

COMMITTEE: **Assembly:** State and Local Government

Senate: Military and Veterans' Affairs

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** 6/20/2019

SENATE: 5/30/2019

FILED WITH SECRETARY OF STATE: 6/20/2019

DATE OF ADOPTION: 11/5/2019

EFFECTIVE: 12/5/2019

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (Introduced bill enacted) Yes

SPONSOR'S STATEMENT: Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes

SENATE: Yes

FLOOR AMENDMENT STATEMENT: Yes

LEGISLATIVE FISCAL ESTIMATE: Yes

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: No

FOLLOWING WERE PRINTED:

To check for circulating copies, contact New Jersey State Government Publications at the State Library (609) 278-2640 ext. 103 or <mailto:refdesk@njstatelib.org>.

REPORTS: No

HEARINGS:

Yes

974.90 Public hearing before Senate Military and Veterans' Affairs Committee : Senate Concurrent Resolution 110 S684 (2R), proposes constitutional amendment to extend veterans' property tax deduction to continuing care 2018b retirement communities [December 6, 2018, Trenton, New Jersey]

NEWSPAPER ARTICLES:

Yes

Levinsky, D. (2018, December 10). Amendment would make more veterans eligible for \$250 property tax deduction. *Burlington County Times: Web Edition Articles (NJ)*.

Writer, S. (2018, December 11). Dancer resolution expands benefits to all disabled veterans. *Central Record, The (Medford, NJ)*.

Levinsky, D. (2019, June 7). Time running out to expand veterans deduction. *Burlington County Times (Willingboro, NJ)*, p. A1

Levinsky, D. (2019, July 1). Legislature OKs bills before summer recess; combat pay measure held. *Burlington County Times: Web Edition Articles (NJ)*

Levinsky, D. (2019, August 17). Vaping, mental health, taxes highlight Herb Conaway town hall. *Burlington County Times: Web Edition Articles (NJ)*

Our opinion Many reasons to vote on Nov. 5. (2019, October 20). *New Jersey Herald, The (NJ)*, p. A10.

Levinsky, D. (2019, October 31). Voters across New Jersey will decide Tuesday whether to exte. *Burlington County Times (Willingboro, NJ)*, p. A2.

Novak, S. (2019, November 4). Election Day 2019: Everything to know to cast a ballot Tuesday. Where to vote, polling hours, finding election results. (11/5/19). *Star-Ledger, The: Web Edition Articles (Newark, NJ)*.

Levinsky, D. (2019, November 6). NJ voters approve expansion of veterans property tax deduction. *Burlington County Times: Web Edition Articles (NJ)*

**SENATE CONCURRENT
RESOLUTION No. 110**

**STATE OF NEW JERSEY
218th LEGISLATURE**

INTRODUCED MARCH 12, 2018

Sponsored by:
Senator VIN GOPAL
District 11 (Monmouth)

Co-Sponsored by:
Senators Brown and Greenstein

SYNOPSIS

Proposes constitutional amendment to extend eligibility for veterans' property tax deduction and disabled veterans' property tax exemption to residents of continuing care retirement communities.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/22/2018)

SCR110 GOPAL

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

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

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

10
11 PROPOSED AMENDMENT

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

14 3. Any citizen and resident of this State now or hereafter
15 honorably discharged or released under honorable circumstances
16 from active service, in time of war or other emergency as, from
17 time to time, defined by the Legislature, in any branch of the Armed
18 Forces of the United States shall be entitled, annually to a deduction
19 from the amount of any tax bill for taxes on real and personal
20 property, or both, including taxes attributable to a residential unit
21 held by a stockholder in a cooperative or mutual housing
22 corporation or the pro rata share of taxes attributable to a unit or a
23 room occupied by a resident of a continuing care retirement
24 community, in the sum of \$50 or if the amount of any such tax bill
25 shall be less than \$50, to a cancellation thereof, except that the
26 deduction or cancellation shall be \$100 in tax year 2000, \$150 in
27 tax year 2001, \$200 in tax year 2002 and \$250 in each tax year
28 thereafter. The deduction or cancellation shall not be altered or
29 repealed. Any person hereinabove described who has been or shall
30 be declared by the United States Veterans Administration, or its
31 successor, to have a service-connected disability, shall be entitled to
32 such further deduction from taxation as from time to time may be
33 provided by law. The surviving spouse of any citizen and resident
34 of this State who has met or shall meet his or her death on active
35 duty in time of war or of other emergency as so defined in any such
36 service shall be entitled, during her widowhood or his
37 widowerhood, as the case may be, and while a resident of this State,
38 to the deduction or cancellation in this paragraph provided for
39 honorably discharged veterans and to such further deduction as
40 from time to time may be provided by law. The surviving spouse of
41 any citizen and resident of this State who has had or shall hereafter
42 have active service in time of war or of other emergency as so
43 defined in any branch of the Armed Forces of the United States and
44 who died or shall die while on active duty in any branch of the
45 Armed Forces of the United States, or who has been or may

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.

SCR110 GOPAL

1 hereafter be honorably discharged or released under honorable
2 circumstances from active service in time of war or of other
3 emergency as so defined in any branch of the Armed Forces of the
4 United States shall be entitled, during her widowhood or his
5 widowerhood, as the case may be, and while a resident of this State,
6 to the deduction or cancellation in this paragraph provided for
7 honorably discharged veterans and to such further deductions as
8 from time to time may be provided by law.

9 (cf: Article VIII, Section I, paragraph 3 amended effective
10 December 2, 1999.)

11

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

20

21 3. This proposed amendment to the Constitution shall be
22 submitted to the people at that election in the following manner and
23 form:

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

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

28 If you favor the proposition printed below make a cross (X), plus
29 (+), or check (√) in the square opposite the word "Yes." If you are
30 opposed thereto make a cross (X), plus (+) or check (√) in the
31 square opposite the word "No."

32 b. In every municipality the following question:

SCR110 GOPAL

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	YES	<p>CONSTITUTIONAL AMENDMENT TO GIVE CERTAIN VETERANS' BENEFITS TO RESIDENTS OF CONTINUING CARE RETIREMENT COMMUNITIES</p> <p>Do you approve amending the Constitution to give the veterans' property tax deduction and exemption to certain other veterans? These veterans must live in a continuing care retirement community.</p>
	NO	<p>INTERPRETIVE STATEMENT</p> <p>This amendment would let certain veterans who live in continuing care retirement communities receive a \$250 property tax deduction. Veterans who live in continuing care retirement communities who are 100% disabled from military service could receive a property tax exemption.</p> <p>These veterans must be New Jersey residents. They must have served in the military in time of war, or other emergency. They must be honorably discharged.</p>

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STATEMENT

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6 This proposed constitutional amendment would authorize
7 veterans who live in continuing care retirement communities to
8 receive the \$250 veterans' property tax deduction and the totally and
9 permanently disabled veterans' property tax exemption currently
10 available to qualified veterans, by requiring that the property tax
11 deduction, or property tax exemption, as appropriate, would be
12 deducted from the pro rata share of taxes attributable to a unit or a
13 room occupied by a veteran who is eligible to receive either the
14 property tax deduction or the property tax exemption.

SENATE MILITARY AND VETERANS' AFFAIRS
COMMITTEE

STATEMENT TO

SENATE CONCURRENT RESOLUTION No. 110

STATE OF NEW JERSEY

DATED: MAY 31, 2018

The Senate Military and Veterans' Affairs Committee reports favorably Senate Concurrent Resolution No. 110.

This proposed constitutional amendment would authorize veterans who live in continuing care retirement communities to receive the \$250 veterans' property tax deduction and the totally and permanently disabled veterans' property tax exemption currently available to qualified veterans, by requiring that the property tax deduction, or property tax exemption, as appropriate, would be deducted from the pro rata share of taxes attributable to a unit or a room occupied by a veteran who is eligible to receive either the property tax deduction or the property tax exemption.

ASSEMBLY STATE AND LOCAL GOVERNMENT
COMMITTEE

STATEMENT TO

ASSEMBLY CONCURRENT RESOLUTION No. 134

STATE OF NEW JERSEY

DATED: JUNE 18, 2018

The Assembly State and Local Government Committee reports favorably Assembly Concurrent Resolution No. 134.

This proposed constitutional amendment would authorize veterans who live in continuing care retirement communities to receive the \$250 veterans' property tax deduction and the totally and permanently disabled veterans' property tax exemption currently available to qualified veterans, by requiring that the property tax deduction, or property tax exemption, as appropriate, would be deducted from the pro rata share of taxes attributable to a unit or a room occupied by a veteran who is eligible to receive either the property tax deduction or the property tax exemption.

STATEMENT TO
SENATE CONCURRENT RESOLUTION
No. 110

with Senate Floor Amendments
(Proposed by Senator GOPAL)

ADOPTED: JUNE 25, 2018

These amendments would provide a veterans' property tax deduction to continuing care retirement communities, to be passed on to eligible veterans who reside in these communities.

Under these amendments, there could be no further property tax benefit provided to a continuing care retirement community with respect to a veteran resident, or surviving spouse resident, having a service-connected disability.

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE CONCURRENT RESOLUTION No. 110

STATE OF NEW JERSEY 218th LEGISLATURE

DATED: AUGUST 29, 2018

SUMMARY

- Synopsis:** Proposes constitutional amendment to extend veterans' property tax deduction to continuing care retirement communities.
- Type of Impact:** Increase in State expenditures from the Property Tax Relief Fund.
- Agencies Affected:** Department of the Treasury.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost	\$350,000 - \$550,000	\$350,000 - \$550,000	\$350,000 - \$550,000

- The Office of Legislative Services (“OLS”) estimates that the enactment of this constitutional amendment would result in an annual increase in State expenditures ranging from approximately \$350,000 to \$550,000, payable from the Property Tax Relief Fund.
- Using information acquired from the Department of Community Affairs and U.S. Census Bureau, and assuming that every newly eligible veteran receives a \$250 deduction, the OLS estimates that the constitutional amendment could result in an annual increase in State expenditures of approximately \$424,000.
- However, due to information constraints, the OLS is unable to determine: (1) the number of newly eligible beneficiaries who would receive a deduction of less than \$250, and (2) the number of surviving spouses of eligible veterans residing in continuing care retirement communities who would receive the deduction. Accounting for these factors, the OLS estimates that the annual increase in State expenditures resulting from this constitutional amendment could range from approximately \$350,000 to \$550,000.
- Under current law, a person who was honorably discharged after serving in any branch of the Armed Forces of the United States during a time of war or other emergency, and the surviving spouse of any such veteran, is entitled to receive an annual \$250 property tax deduction. The State is required to reimburse each municipality in an amount equal to 102

percent of the total deductions provided to its residents. The State reimbursement for the maximum property tax deduction of \$250 would, therefore, equal \$255.

BILL DESCRIPTION

This concurrent resolution proposes to amend the State Constitution to extend the eligibility for the veterans' property tax deduction to include continuing care retirement communities. Currently, a person who was honorably discharged after serving in any branch of the Armed Forces of the United States during a time of war or other emergency, and the surviving spouse of any such veteran, is entitled to receive an annual \$250 property tax deduction.

Under this constitutional amendment, a person who otherwise qualifies for the deduction, but resides in a continuing care retirement community, would be entitled to receive the veterans' property tax deduction. Specifically, the deduction would be provided to the continuing care retirement community, which would credit or pay the amount of the deduction to each beneficiary residing in the facility within 30 days of receiving the property tax bill in which the deduction appears. In addition, the surviving spouse of an eligible veteran would be entitled to receive the veterans' property tax deduction if he or she resides in a continuing care retirement community. However, the constitutional amendment provides that only those persons who received the veteran's property tax deduction immediately before residing in the continuing care retirement community would be entitled to receive the deduction.

The property tax deduction received by each continuing care retirement community would be equal to: (1) the number of beneficiaries residing in the facility, multiplied by (2) the amount of the deduction provided for each beneficiary, which may not exceed \$250. The amount of the deduction provided for each beneficiary residing in the facility would be based on the share of the taxes assessed against the real property of the continuing care retirement community that is attributable to the unit in which the person resides.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that the enactment of this constitutional amendment would result in an annual increase in State expenditures ranging from approximately \$350,000 to \$550,000, payable from the Property Tax Relief Fund. This constitutional amendment is expected to increase State expenditures by increasing the number of persons who would receive the veterans' property tax deduction. Specifically, this cost increase would be attributable to the amount of veterans' property tax deductions provided to continuing care retirement communities on behalf of the beneficiaries residing in the those facilities made newly eligible through the provision of this constitutional amendment (hereinafter "newly eligible beneficiaries").

Under current law, a person who was honorably discharged after serving in any branch of the Armed Forces of the United States during a time of war or other emergency, and the surviving spouse of any such veteran, is entitled to receive an annual \$250 property tax deduction. A

municipality applies the property tax deduction to each beneficiary's tax bill, and the State is required to reimburse the municipality in an amount equal to 102 percent of the total amount of the deductions provided in that municipality. The State reimbursement for the maximum property tax deduction of \$250 would, therefore, equal \$255.

The constitutional amendment provides that a continuing care retirement community is entitled to receive a veterans' property tax deduction on behalf of each of its residents who qualify for the deduction. However, only those persons who received the veterans' property tax deduction immediately before residing in the continuing care retirement community would be entitled to receive the deduction.

The increased State expenditures associated with this constitutional amendment would be approximately equal to: (1) the number of newly eligible beneficiaries residing in continuing care retirement communities; multiplied by (2) the State reimbursement, which may not exceed \$255, for each property tax deduction. Although the State does not record the number of veterans that reside in continuing care retirement communities, the OLS estimates this total by multiplying the total occupants of all continuing care retirement communities in the State by the percentage of persons over the age of 65 years who are veterans.

According to information provided by the Department of Community Affairs, the total occupancy of all continuing care retirement communities located in New Jersey is currently 9,835 persons. In addition, the American Community Survey (Five-Year Estimate, 2012-2016) published by the U.S. Census Bureau, indicates that a total of 1,312,291 people over the age of 65 years currently reside in the State, with 212,818 of those residents being veterans. As a result, approximately 16.9 percent of State residents over the age of 65 years are veterans.

Assuming that 16.9 percent of the 9,835 people who reside in continuing care retirement communities are veterans, the OLS estimates that approximately 1,662 veterans currently reside in these facilities. Also assuming that each of these veterans: (1) received the property tax deduction immediately prior to residing in the continuing care retirement community; (2) served in the Armed Forces of the United States during a time of war or other emergency; and (3) will be credited or paid the full \$250 property tax deduction; the estimated increase in State expenditures associated with this constitutional amendment would be approximately \$424,000 per year. This estimate is calculated by multiplying the estimated number of newly eligible beneficiaries (i.e., 1,662 veterans) by the maximum State reimbursement of \$255 for each deduction.

However, the OLS notes that the amount of the deduction received by each newly eligible beneficiary would be based on the share of the taxes assessed against the real property of the continuing care retirement community that is attributable to the unit in which the person resides. As a result, if the share of the total property taxes attributable to a beneficiary's housing unit does not exceed \$250, the amount of the deduction provided for that person will be less than \$250. In addition, the constitutional amendment also entitles the surviving spouse of eligible veterans to receive the veterans' property tax deduction if he or she resides in a continuing care retirement community. Due to information constraints, the OLS is unable to determine the extent to which these factors would reduce the amount of each property tax deduction and increase the number of newly eligible beneficiaries.

In order to account for these factors, the OLS therefore estimates that the enactment of this constitutional amendment could result in an annual increase in State expenditures ranging from approximately \$350,000 to \$550,000, payable from the Property Tax Relief Fund. However, this estimate should be viewed as a broad approximation, not a precise determination, of the anticipated cost.

FE to SCR110 [1R]

4

Section: Local Government

*Analyst: Joseph A. Pezzulo
Assistant Research Analyst*

*Approved: Frank W. Haines III
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 (C.52:13B-6 et seq.).

LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

SENATE CONCURRENT RESOLUTION No. 110

STATE OF NEW JERSEY 218th LEGISLATURE

DATED: JUNE 4, 2019

SUMMARY

- Synopsis:** Proposes constitutional amendment to extend veterans' property tax deduction to continuing care retirement communities.
- Type of Impact:** Increase in State expenditures from the Property Tax Relief Fund.
- Agencies Affected:** Department of the Treasury.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost	\$350,000 - \$550,000	\$350,000 - \$550,000	\$350,000 - \$550,000

- The Office of Legislative Services (OLS) estimates that the enactment of this constitutional amendment would result in an annual increase in State expenditures ranging from approximately \$350,000 to \$550,000, payable from the Property Tax Relief Fund.
- Using information acquired from the Department of Community Affairs and U.S. Census Bureau, and assuming that every newly eligible veteran receives a \$250 deduction, the OLS estimates that the constitutional amendment could result in an annual increase in State expenditures of approximately \$424,000.
- However, due to information constraints, the OLS is unable to determine: (1) the number of newly eligible beneficiaries who would receive a deduction of less than \$250, and (2) the number of surviving spouses of eligible veterans residing in continuing care retirement communities who would receive the deduction. Accounting for these factors, the OLS estimates that the annual increase in State expenditures resulting from this constitutional amendment could range from approximately \$350,000 to \$550,000.
- Under current law, a person who was honorably discharged after serving in any branch of the Armed Forces of the United States during a time of war or other emergency, and the surviving spouse of any such veteran, is entitled to receive an annual \$250 property tax deduction. The State is required to reimburse each municipality in an amount equal to 102

percent of the total deductions provided to its residents. The State reimbursement for the maximum property tax deduction of \$250 would, therefore, equal \$255.

BILL DESCRIPTION

This concurrent resolution proposes to amend the State Constitution to extend the eligibility for the veterans' property tax deduction to include continuing care retirement communities in which an eligible veteran resides. Currently, a person who was honorably discharged after serving in any branch of the Armed Forces of the United States during a time of war or other emergency, and the surviving spouse of any such veteran, is entitled to receive an annual \$250 property tax deduction.

Under this constitutional amendment, a person who otherwise qualifies for the deduction, but resides in a continuing care retirement community, would be entitled to receive the veterans' property tax deduction. Specifically, the deduction would be provided to the continuing care retirement community, which would credit or pay the amount of the deduction to each beneficiary residing in the facility within 30 days of receiving the property tax bill in which the deduction appears. In addition, the surviving spouse of an eligible veteran would be entitled to receive the veterans' property tax deduction if he or she resides in a continuing care retirement community. However, the constitutional amendment provides that only those persons who received the veteran's property tax deduction immediately before residing in the continuing care retirement community would be entitled to receive the deduction. Additionally, a property tax deduction would not be provided for any continuing care retirement community that is exempt from property taxation.

The property tax deduction received by each continuing care retirement community would be equal to: (1) the number of beneficiaries residing in the facility, multiplied by (2) the amount of the deduction provided for each beneficiary, which may not exceed \$250. The amount of the deduction provided for each beneficiary residing in the facility would be based on the share of the taxes assessed against the real property of the continuing care retirement community that is attributable to the unit in which the person resides.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that the enactment of this constitutional amendment would result in an annual increase in State expenditures ranging from approximately \$350,000 to \$550,000, payable from the Property Tax Relief Fund. This constitutional amendment is expected to increase State expenditures by increasing the number of persons who would receive the veterans' property tax deduction. Specifically, this cost increase would be attributable to the amount of veterans' property tax deductions provided to continuing care retirement communities on behalf of the beneficiaries residing in the those facilities made newly eligible through the provision of this constitutional amendment (hereinafter "newly eligible beneficiaries").

Under current law, a person who was honorably discharged after serving in any branch of the Armed Forces of the United States during a time of war or other emergency, and the surviving spouse of any such veteran, is entitled to receive an annual \$250 property tax deduction. A municipality applies the property tax deduction to each beneficiary's tax bill, and the State is required to reimburse the municipality in an amount equal to 102 percent of the total amount of the deductions provided in that municipality. The State reimbursement for the maximum property tax deduction of \$250 would, therefore, equal \$255.

The constitutional amendment provides that a continuing care retirement community is entitled to receive a veterans' property tax deduction on behalf of each of its residents who qualify for the deduction. However, only those persons who received the veterans' property tax deduction immediately before residing in the continuing care retirement community would be entitled to receive the deduction. Additionally, a property tax deduction would not be provided for any continuing care retirement community that is exempt from property taxation.

The increased State expenditures associated with this constitutional amendment would be approximately equal to: (1) the number of newly eligible beneficiaries residing in continuing care retirement communities; multiplied by (2) the State reimbursement, which may not exceed \$255, for each property tax deduction. Although the State does not record the number of veterans that reside in continuing care retirement communities, the OLS estimates this total by multiplying the total occupants of all continuing care retirement communities in the State by the percentage of persons over the age of 65 years who are veterans.

According to information provided by the Department of Community Affairs, the total occupancy of all continuing care retirement communities located in New Jersey is currently 9,835 persons. In addition, the American Community Survey (Five-Year Estimate, 2012-2016) published by the U.S. Census Bureau, indicates that a total of 1,312,291 people over the age of 65 years currently reside in the State, with 212,818 of those residents being veterans. As a result, approximately 16.9 percent of State residents over the age of 65 years are veterans.

Assuming that 16.9 percent of the 9,835 people who reside in continuing care retirement communities are veterans, the OLS estimates that approximately 1,662 veterans currently reside in these facilities. Also assuming that each of these veterans: (1) received the property tax deduction immediately prior to residing in the continuing care retirement community; (2) served in the Armed Forces of the United States during a time of war or other emergency; and (3) will be credited or paid the full \$250 property tax deduction; the estimated increase in State expenditures associated with this constitutional amendment would be approximately \$424,000 per year. This estimate is calculated by multiplying the estimated number of newly eligible beneficiaries (i.e., 1,662 veterans) by the maximum State reimbursement of \$255 for each deduction.

However, the OLS notes that the amount of the deduction received by each newly eligible beneficiary would be based on the share of the taxes assessed against the real property of the continuing care retirement community that is attributable to the unit in which the person resides. As a result, if the share of the total property taxes attributable to a beneficiary's housing unit does not exceed \$250, the amount of the deduction provided for that person will be less than \$250. In addition, the constitutional amendment also entitles the surviving spouse of eligible veterans to receive the veterans' property tax deduction if he or she resides in a continuing care retirement community. Due to information constraints, the OLS is unable to determine the extent to which these factors would reduce the amount of each property tax deduction and increase the number of newly eligible beneficiaries.

In order to account for these factors, the OLS therefore estimates that the enactment of this constitutional amendment could result in an annual increase in State expenditures ranging from approximately \$350,000 to \$550,000, payable from the Property Tax Relief Fund. However, this estimate should be viewed as a broad approximation, not a precise determination, of the anticipated cost.

Section: Local Government

*Analyst: Joseph A. Pezzulo
Associate Research Analyst*

*Approved: Frank W. Haines III
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 (C.52:13B-6 et seq.).

LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

ASSEMBLY CONCURRENT RESOLUTION No. 134

STATE OF NEW JERSEY 218th LEGISLATURE

DATED: JUNE 24, 2019

SUMMARY

- Synopsis:** Proposes constitutional amendment to extend veterans' property tax deduction to continuing care retirement communities.
- Type of Impact:** Annual increase in State expenditures from the Property Tax Relief Fund.
- Agencies Affected:** Department of the Treasury.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Expenditure Increase	\$350,000 - \$550,000	\$350,000 - \$550,000	\$350,000 - \$550,000

- The Office of Legislative Services (OLS) estimates that the enactment of this constitutional amendment would result in an annual increase in State expenditures ranging from approximately \$350,000 to \$550,000, payable from the Property Tax Relief Fund.
- Using information acquired from the Department of Community Affairs and U.S. Census Bureau, and assuming that every newly eligible veteran receives a \$250 deduction, the OLS estimates that the constitutional amendment could result in an annual increase in State expenditures of approximately \$400,000.
- However, due to information constraints, the OLS is unable to determine: (1) the number of newly eligible beneficiaries who would receive a deduction of less than \$250, and (2) the number of surviving spouses of eligible veterans residing in continuing care retirement communities who would receive the deduction. Accounting for these factors, the OLS estimates that the annual increase in State expenditures resulting from this constitutional amendment could range from approximately \$350,000 to \$550,000.
- Under current law, a person who was honorably discharged after serving in any branch of the Armed Forces of the United States during a time of war or other emergency, and the surviving spouse of any such veteran, is entitled to receive an annual \$250 property tax

deduction. The State is required to reimburse each municipality in an amount equal to 102 percent of the total deductions provided to its residents. The State reimbursement for the maximum property tax deduction of \$250 would, therefore, equal \$255.

BILL DESCRIPTION

This concurrent resolution proposes to amend the State Constitution to extend the eligibility for the veterans' property tax deduction to include continuing care retirement communities in which an eligible veteran resides. Currently, a person who was honorably discharged after serving in any branch of the Armed Forces of the United States during a time of war or other emergency, and the surviving spouse of any such veteran, is entitled to receive an annual \$250 property tax deduction.

Under this constitutional amendment, a person who otherwise qualifies for the deduction, but resides in a continuing care retirement community, would be entitled to receive the veterans' property tax deduction. Specifically, the deduction would be provided to the continuing care retirement community, which would credit or pay the amount of the deduction to each beneficiary residing in the facility within 30 days of receiving the property tax bill in which the deduction appears. In addition, the surviving spouse of an eligible veteran would be entitled to receive the veterans' property tax deduction if he or she resides in a continuing care retirement community. However, the constitutional amendment provides that only those persons who received the veteran's property tax deduction immediately before residing in the continuing care retirement community would be entitled to receive the deduction. Additionally, a property tax deduction would not be provided for any continuing care retirement community that is exempt from property taxation.

The property tax deduction received by each continuing care retirement community would be equal to: (1) the number of beneficiaries residing in the facility, multiplied by (2) the amount of the deduction provided for each beneficiary, which may not exceed \$250. The amount of the deduction provided for each beneficiary residing in the facility would be based on the share of the taxes assessed against the real property of the continuing care retirement community that is attributable to the unit in which the person resides.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that the enactment of this constitutional amendment would result in an annual increase in State expenditures ranging from approximately \$350,000 to \$550,000, payable from the Property Tax Relief Fund. This constitutional amendment is expected to increase State expenditures by increasing the number of persons who would receive the veterans' property tax deduction. Specifically, this cost increase would be attributable to the amount of veterans' property tax deductions provided to continuing care retirement communities on behalf of the

beneficiaries residing in the those facilities made newly eligible through the provision of this constitutional amendment (newly eligible beneficiaries).

Under current law, a person who was honorably discharged after serving in any branch of the Armed Forces of the United States during a time of war or other emergency, and the surviving spouse of any such veteran, is entitled to receive an annual \$250 property tax deduction. A municipality applies the property tax deduction to each beneficiary's tax bill, and the State is required to reimburse the municipality in an amount equal to 102 percent of the total amount of the deductions provided in that municipality. The State reimbursement for the maximum property tax deduction of \$250 would, therefore, equal \$255.

The constitutional amendment provides that a continuing care retirement community is entitled to receive a veterans' property tax deduction on behalf of each of its residents who qualify for the deduction. However, only those persons who received the veterans' property tax deduction immediately before residing in the continuing care retirement community would be entitled to receive the deduction. Additionally, a property tax deduction would not be provided for any continuing care retirement community that is exempt from property taxation.

The increased State expenditures associated with this constitutional amendment would be approximately equal to: (1) the number of newly eligible beneficiaries residing in continuing care retirement communities; multiplied by (2) the State reimbursement, which may not exceed \$255, for each property tax deduction. Although the State does not record the number of veterans that reside in continuing care retirement communities, the OLS estimates this total by multiplying the total occupants of all continuing care retirement communities in the State by the percentage of persons over the age of 65 years who are veterans.

According to information provided by the Department of Community Affairs, the total occupancy of all continuing care retirement communities located in New Jersey is currently 9,835 persons. In addition, the American Community Survey (Five-Year Estimate, 2013-2017) published by the U.S. Census Bureau, indicates that a total of 1,353,999 people over the age of 65 years currently reside in the State and 15.9 percent of them are veterans.

Assuming that 15.9 percent of the 9,835 people who reside in continuing care retirement communities are veterans, the OLS estimates that approximately 1,563 veterans currently reside in these facilities. Also assuming that each of these veterans: (1) received the property tax deduction immediately prior to residing in the continuing care retirement community; (2) served in the Armed Forces of the United States during a time of war or other emergency; and (3) will be credited or paid the full \$250 property tax deduction; the estimated increase in State expenditures associated with this constitutional amendment would be approximately \$400,000 per year. This estimate is calculated by multiplying the estimated number of newly eligible beneficiaries (i.e., 1,563 veterans) by the maximum State reimbursement of \$255 for each deduction.

However, the OLS notes that the amount of the deduction received by each newly eligible beneficiary would be based on the share of the taxes assessed against the real property of the continuing care retirement community that is attributable to the unit in which the person resides. As a result, if the share of the total property taxes attributable to a beneficiary's housing unit does not exceed \$250, the amount of the deduction provided for that person will be less than \$250. In addition, the constitutional amendment also entitles the surviving spouse of eligible veterans to receive the veterans' property tax deduction if he or she resides in a continuing care retirement community. Due to information constraints, the OLS is unable to determine the extent to which these factors would reduce the amount of each property tax deduction and increase the number of newly eligible beneficiaries.

In order to account for these factors, the OLS therefore estimates that the enactment of this constitutional amendment could result in an annual increase in State expenditures ranging from approximately \$350,000 to \$550,000, payable from the Property Tax Relief Fund. However, this estimate should be viewed as a broad approximation, not a precise determination, of the anticipated cost.

Section: Local Government

*Analyst: Joseph A. Pezzulo
Associate Research Analyst*

*Approved: Frank W. Haines III
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 (C.52:13B-6 et seq.).

[Second Reprint]
**SENATE CONCURRENT
RESOLUTION No. 110**

**STATE OF NEW JERSEY
218th LEGISLATURE**

INTRODUCED MARCH 12, 2018

Sponsored by:

Senator VIN GOPAL

District 11 (Monmouth)

Senator FRED H. MADDEN, JR.

District 4 (Camden and Gloucester)

Assemblyman DANIEL R. BENSON

District 14 (Mercer and Middlesex)

Assemblywoman CAROL A. MURPHY

District 7 (Burlington)

Assemblyman ROY FREIMAN

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Co-Sponsored by:

**Senators Brown, Greenstein, Pennacchio, Cruz-Perez, Bateman,
Assemblymen Johnson, Schaer, Assemblywoman Mosquera, Assemblyman
Houghtaling, Assemblywomen Downey, McKnight, Assemblymen Space
and Wirths**

SYNOPSIS

Proposes constitutional amendment to extend veterans' property tax deduction to continuing care retirement communities.

CURRENT VERSION OF TEXT

As amended by the Senate on October 29, 2018.

(Sponsorship Updated As Of: 6/21/2019)

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

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

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

10
11 PROPOSED AMENDMENT

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

14 3. ¹a.¹ Any citizen and resident of this State now or hereafter
15 honorably discharged or released under honorable circumstances
16 from active service, in time of war or other emergency as, from
17 time to time, defined by the Legislature, in any branch of the Armed
18 Forces of the United States shall be entitled, annually to a deduction
19 from the amount of any tax bill for taxes on real and personal
20 property, or both, including taxes attributable to a residential unit
21 held by a stockholder in a cooperative or mutual housing
22 corporation ¹**[or the pro rata share of taxes attributable to a unit or a**
23 **room occupied by a resident of a continuing care retirement**
24 **community,]**¹ in the sum of \$50 or if the amount of any such tax
25 bill shall be less than \$50, to a cancellation thereof, except that the
26 deduction or cancellation shall be \$100 in tax year 2000, \$150 in
27 tax year 2001, \$200 in tax year 2002 and \$250 in each tax year
28 thereafter. The deduction or cancellation shall not be altered or
29 repealed. Any person hereinabove described who has been or shall
30 be declared by the United States Veterans Administration, or its
31 successor, to have a service-connected disability, shall be entitled to
32 such further deduction from taxation as from time to time may be
33 provided by law. The surviving spouse of any citizen and resident
34 of this State who has met or shall meet his or her death on active
35 duty in time of war or of other emergency as so defined in any such
36 service shall be entitled, during her widowhood or his
37 widowerhood, as the case may be, and while a resident of this State,
38 to the deduction or cancellation in this ¹**[paragraph] subsection¹**
39 provided for honorably discharged veterans and to such further
40 deduction as from time to time may be provided by law. The
41 surviving spouse of any citizen and resident of this State who has
42 had or shall hereafter have active service in time of war or of other
43 emergency as so defined in any branch of the Armed Forces of the
44 United States and who died or shall die while on active duty in any

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹**Senate floor amendments adopted June 25, 2018.**

²**Senate floor amendments adopted October 29, 2018.**

1 branch of the Armed Forces of the United States, or who has been
2 or may hereafter be honorably discharged or released under
3 honorable circumstances from active service in time of war or of
4 other emergency as so defined in any branch of the Armed Forces
5 of the United States shall be entitled, during her widowhood or his
6 widowerhood, as the case may be, and while a resident of this State,
7 to the deduction or cancellation in this ¹**[paragraph]** subsection¹
8 provided for honorably discharged veterans and to such further
9 deductions as from time to time may be provided by law.

10 ¹b. A continuing care retirement community shall receive a
11 veterans' property tax deduction ²on behalf of eligible veterans².
12 The amount of the property tax deduction shall be the dollar amount
13 of the deduction multiplied by the number of eligible veterans
14 receiving the property tax deduction immediately prior to moving
15 into the continuing care retirement community. A person otherwise
16 eligible for the veterans' deduction who is a resident of a continuing
17 care retirement community shall receive the amount of the
18 deduction to the extent of the share of the taxes assessed against the
19 real property of the continuing care retirement community that is
20 attributable to the unit that the resident occupies. The continuing
21 care retirement community shall provide that amount as a payment
22 or credit to the resident. That payment or credit shall be made to
23 the resident no later than 30 days after the continuing care
24 retirement community receives the property tax bill on which the
25 credit appears. ²A veterans' property tax deduction shall not be
26 paid on behalf of any eligible veteran who resides in a continuing
27 care retirement community that is property tax-exempt. A resident
28 receiving a payment or credit pursuant to this subsection shall not
29 receive a veterans' property tax deduction on any other residence
30 owned in whole or in part by the resident, or any residence in which
31 the resident's spouse is living.²

32 The surviving spouse of any citizen and resident of this State
33 who has met or shall meet his or her death on active duty in time of
34 war or of other emergency as so defined in any such service shall be
35 entitled, during her widowhood or his widowerhood, as the case
36 may be, and while a resident of this State, to the deduction in this
37 subsection provided for honorably discharged veterans. The
38 surviving spouse of any citizen and resident of this State who has
39 had or shall hereafter have active service in time of war or of other
40 emergency as so defined in any branch of the Armed Forces of the
41 United States and who died or shall die while on active duty in any
42 branch of the Armed Forces of the United States, or who has been
43 or may hereafter be honorably discharged or released under
44 honorable circumstances from active service in time of war or of
45 other emergency as so defined in any branch of the Armed Forces
46 of the United States shall be entitled, during her widowhood or his
47 widowerhood, as the case may be, and while a resident of this State,
48 to the deduction in this subsection provided for honorably

1 discharged veterans.¹
 2 (cf: Article VIII, Section I, paragraph 3 amended effective
 3 December 2, 1999.)

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

13
 14 3. This proposed amendment to the Constitution shall be
 15 submitted to the people at that election in the following manner and
 16 form:

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

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

21 If you favor the proposition printed below make a cross (X), plus
 22 (+), or check (√) in the square opposite the word "Yes." If you are
 23 opposed thereto make a cross (X), plus (+) or check (√) in the
 24 square opposite the word "No."

25 b. In every municipality the following question:
 26

	YES	<p>CONSTITUTIONAL AMENDMENT TO GIVE CERTAIN VETERANS' BENEFITS TO RESIDENTS OF CONTINUING CARE RETIREMENT COMMUNITIES</p> <p>Do you approve amending the Constitution to ²give <u>allow eligible</u> veterans to receive² the ²value of the² veterans' property tax deduction ¹and exemption¹ ²to² ¹certain other veterans ²if they reside in a <u>continuing</u> care retirement ²communities¹ <u>community</u>²? ¹These veterans must live in a continuing care retirement community The ²deduction shall be provided to a continuing care retirement community, which shall pass the² value of the deduction ²shall be passed² on to ²the² <u>eligible</u> veterans who live there¹.</p>
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	<p>NO</p>	<p style="text-align: center;">INTERPRETIVE STATEMENT</p> <p>This amendment would ¹let certain veterans who live in continuing care retirement communities receive a \$250 property tax deduction. Veterans who live in continuing care retirement communities who are 100% disabled from military service could receive a property tax exemption. ²<u>allow eligible veterans who live in continuing care retirement communities to receive the value of the \$250 property tax deduction currently granted to veterans who reside in a private residence. This amendment would² give the veterans' property tax deduction to continuing care retirement communities ²on behalf of eligible veterans².</u></p> <p><u>The total amount of the ²[deductions] deduction² given to a continuing care retirement community would be based on the number of eligible veterans who live there. ²[Eligible veterans received the deduction before moving into the continuing care retirement community.]² The community would ²be required to² pass the ²[amount] value² of the deduction ²on² to each eligible veteran.¹</u></p> <p>²[These] Deductions would not be paid to continuing care retirement communities that are property tax-exempt. An eligible veteran who receives the value of a deduction through a continuing care retirement community cannot receive a veterans' property tax deduction on any other home he or she owns or in which a spouse lives.</p> <p><u>Eligible² veterans must be New Jersey residents. They must have served in the military in time of war, or other emergency. They must be honorably discharged.</u></p>
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