

54:4-8.67 to 54:4-8.75
LEGISLATIVE HISTORY CHECKLIST
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(Pharmaceutical Assistance to Aged--
homestead reimbursement)

NJSA: 54:4-8.67 to 54:4-8.75

LAWS OF: 1997 **CHAPTER:** 348

BILL NO: A3

SPONSOR(S): Collins and others

DATE INTRODUCED: June 5, 1997

COMMITTEE: **ASSEMBLY:** Senior Issues; Appropriations
SENATE: Budget; Community Affairs

AMENDED DURING PASSAGE: Yes
First reprint enacted

DATE OF PASSAGE: **ASSEMBLY:** June 19, 1997 Re-enacted 11-12-98
SENATE: January 12, 1998 Re-enacted 1-12-98

DATE OF APPROVAL: January 14, 1998

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes 6-9-97 & 6-16-97
SENATE: Yes 12-15-97 (2)

FISCAL NOTE: No

VETO MESSAGE: Yes

MESSAGE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

See newspaper clippings--attached:

"Whitman oks tax relief bill to aid seniors," 1-16-98, The Press.

"Tax break is permanent for low income seniors," 1-15-98, Bergen Record.

KBP:pp

[Passed Both Houses]

[Third Reprint]

ASSEMBLY, No. 3

STATE OF NEW JERSEY

INTRODUCED JUNE 5, 1997

By Assemblymen COLLINS, T.SMITH, Asselta, Malone, Cottrell, Gibson, Kramer, Assemblywoman Wright, Assemblymen LeFevre, Bucco, Augustine, Rocco, Dalton, Assemblywomen Gill, Friscia, Assemblyman Coutinho, Assemblywoman Heck, Assemblymen Talarico, DeSopo, Assemblywoman Allen, Assemblymen Bagger, Azzolina, Blee, Kelly, Romano, Assemblywomen Turner, Cruz-Perez, Assemblymen Zisa, Stanley, Zecker, Doria, Assemblywoman Quigley, Assemblymen Charles, Caraballo, Greenwald, Steele, Garcia, Barnes, Assemblywoman Buono, Assemblyman Jones, Assemblywoman Pou, Assemblymen Roberts, Cohen, Wisniewski, Gusciora, DeCroce, Assemblywoman Crecco, Assemblyman Felice, Senators Connors, DiFrancesco, Sinagra, Singer, Bark, Inverso, Kosco, McGreevey, Zane, Bryant and Moran

1 AN ACT providing a homestead property tax reimbursement to certain
2 eligible homeowners and supplementing chapter 4D of Title 30 of
3 the Revised Statutes.

4

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

7

8 1. As used in this act:

9 "Base year" means, in the case of a person who is an eligible
10 claimant on or before ³[November 1, 1996] December 31, 1997³, the
11 tax year ³[1996] 1997³; and in the case of a person who first becomes
12 an eligible claimant after ³[November 1, 1996] December 31, 1997³,
13 the tax year in which the person first becomes an eligible claimant.

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly ASI committee amendments adopted June 9, 1997.

² Assembly AAP committee amendments adopted June 16, 1997.

³ Assembly amendments adopted in accordance with Governor's recommendations January 12, 1998.

1 "Commissioner" means the Commissioner of Health and Senior
2 Services.

3 ³"Director" means the Director of the Division of Taxation.³

4 "Condominium" means the form of real property ownership
5 provided for under the "Condominium Act," P.L.1969, c.257
6 (C.46:8B-1 et seq.).

7 "Cooperative" means a housing corporation or association which
8 entitles the holder of a share or membership interest thereof to possess
9 and occupy for dwelling purposes a house, apartment or other unit of
10 housing owned or leased by the corporation or association, or to lease
11 or purchase a unit of housing constructed or to be constructed by the
12 corporation or association.

13 "Disabled person" means an individual receiving ³[or having
14 qualified to receive]³ monetary payments pursuant to Title II of the
15 federal Social Security Act (42 U.S.C. §401 et seq.) on ³[November
16 1, 1997] December 31, 1998³, or on ³[November 1] December 31³ in
17 all or any part of the year for which a homestead property tax
18 reimbursement under this act is claimed.

19 "Dwelling house" means any residential property assessed as real
20 property which consists of not more than four units, of which not more
21 than one may be used for commercial purposes, but shall not include
22 a unit in a condominium, cooperative, horizontal property regime or
23 mutual housing corporation.

24 "Eligible claimant" means a person who:

25 is 65 or more years of age, or who is a disabled person;

26 is an owner of a homestead ¹, or the lessee of a site in a mobile
27 home park on which site the applicant owns a manufactured or mobile
28 home¹;

29 ³[is qualified to receive PAAD benefits, or was qualified in the
30 previous tax year to receive PAAD benefits but who is not so PAAD
31 qualified in the current tax year; and] has an annual income of less
32 than \$17,918, if single, or, if married, whose annual income combined
33 with that of the spouse is less than \$21,970.³

34 as a renter or homeowner, has made a long-term contribution to the
35 fabric, social structure and finances of one or more communities in this
36 State, as demonstrated through the payment of property taxes directly,
37 or through rent, on any homestead or rental unit used as a principal
38 residence in this State for at least ²[15] 10² consecutive years ³at
39 least three of which as owner of the homestead for which a homestead
40 property tax reimbursement is sought³ prior to the date that an
41 application for a homestead property tax reimbursement is filed.

42 "Homestead" means:

43 a dwelling house and the land on which that dwelling house is
44 located which constitutes the place of the eligible claimant's domicile
45 and is owned and used by the eligible claimant as the eligible claimant's
46 principal residence;

1 ¹a site in a mobile home park equipped for the installation of
2 manufactured or mobile homes, where these sites are under common
3 ownership and control for the purpose of leasing each site to the
4 owner of a manufactured or mobile home for the installation thereof
5 and such site is used by the eligible claimant as the eligible claimant's
6 principal residence;¹

7 a dwelling house situated on land owned by a person other than the
8 eligible claimant which constitutes the place of the eligible claimant's
9 domicile and is owned and used by the eligible claimant as the eligible
10 claimant's principal residence;

11 a condominium unit or a unit in a horizontal property regime or a
12 continuing care retirement community which constitutes the place of
13 the eligible claimant's domicile and is owned and used by the eligible
14 claimant as the eligible claimant's principal residence.

15 In addition to the generally accepted meaning of "owned" or
16 "ownership," a homestead shall be deemed to be owned by a person if
17 that person is a tenant for life or a tenant under a lease for 99 years or
18 more, is entitled to and actually takes possession of the homestead
19 under an executory contract for the sale thereof or under an agreement
20 with a lending institution which holds title as security for a loan, or is
21 a resident of a continuing care retirement community pursuant to a
22 contract for continuing care for the life of that person which requires
23 the resident to bear, separately from any other charges, the
24 proportionate share of property taxes attributable to the unit that the
25 resident occupies;

26 a unit in a cooperative or mutual housing corporation which
27 constitutes the place of domicile of a residential shareholder or lessee
28 therein, or of a lessee or shareholder who is not a residential
29 shareholder therein, which is used by the eligible claimant as the
30 eligible claimant's principal residence.

31 "Homestead property tax reimbursement" means payment of the
32 difference between the amount of property tax ¹or site fee constituting
33 property tax^{1 3}**[paid or payable]** due and paid³ in any year on any
34 homestead, exclusive of improvements not included in the assessment
35 on the real property for the base year, and the amount of property tax
36 ¹or site fee constituting property tax^{1 3}due and³ paid in the base
37 year, ³**[¹or, for eligible claimants who have paid property tax for only**
38 **a portion of the base year, the annualized amount otherwise**
39 **payable.**¹]³ when the amount paid in the base year ³**[¹or the**
40 **annualized amount**¹]³ is the lower amount; but such calculations shall
41 ³**[exclude]** be reduced by any³ current year property tax reductions
42 ¹or reductions in site fees constituting property taxes¹ resulting from
43 judgments entered by county boards of taxation or the State Tax
44 Court.

45 "Horizontal property regime" means the form of real property
46 ownership provided for under the "Horizontal Property Act,"

1 P.L.1963, c.168 (C.46:8A-1 et seq.).

2 ¹"Manufactured home" or "mobile home" means a unit of housing
3 which:

4 (1) Consists of one or more transportable sections which are
5 substantially constructed off site and, if more than one section, are
6 joined together on site;

7 (2) Is built on a permanent chassis;

8 (3) Is designed to be used, when connected to utilities, as a
9 dwelling on a permanent or nonpermanent foundation; and

10 (4) Is manufactured in accordance with the standards promulgated
11 for a manufactured home by the Secretary of the United States
12 Department of Housing and Urban Development pursuant to the
13 "National Manufactured Housing Construction and Safety Standards
14 Act of 1974," Pub.L. 93-383 (42 U.S.C. s. 5401 et seq.) and the
15 standards promulgated for a manufactured or mobile home by the
16 commissioner pursuant to the "State Uniform Construction Code
17 Act," P.L.1975, c.217 (C.52:27D-119 et seq.).

18 "Mobile home park" means a parcel of land, or two or more parcels
19 of land, containing no fewer than 10 sites equipped for the installation
20 of manufactured or mobile homes, where these sites are under
21 common ownership and control for the purpose of leasing each site to
22 the owner of a manufactured or mobile home for the installation
23 thereof, and where the owner or owners provide services, which are
24 provided by the municipality in which the park is located for property
25 owners outside the park, which services may include but shall not be
26 limited to:

27 (1) The construction and maintenance of streets;

28 (2) Lighting of streets and other common areas;

29 (3) Garbage removal;

30 (4) Snow removal; and

31 (5) Provisions for the drainage of surface water from home sites
32 and common areas.¹

33 "Mutual housing corporation" means a corporation not-for-profit,
34 incorporated under the laws of this State on a mutual or cooperative
35 basis within the scope of section 607 of the Langham Act (National
36 Defense Housing), Pub.L.849, (42 U.S.C. §1521 et seq.), as amended,
37 which acquired a National Defense Housing Project pursuant to that
38 act.

39 ³["PAAD benefits" mean payment of pharmaceutical benefits
40 received pursuant to the "Pharmaceutical Assistance to the Aged and
41 Disabled" program, P.L.1975, c.194 (C.30:4D-20 et seq.).] "Income"
42 means income as determined pursuant to P.L.1975, c.194 (C.30:4D-20
43 et seq.)³

44 "Principal residence" means a homestead actually and continually
45 occupied by an eligible claimant as his or her permanent residence, as
46 distinguished from a vacation home, property owned and rented or

1 offered for rent by the claimant, and other secondary real property
2 holdings.

3 "Property tax" means the general property tax ³[paid or payable]
4 due and paid³ as set forth in this section, on a homestead, but does not
5 include special assessments and interest and penalties for delinquent
6 taxes.

7 ¹"Site fee constituting property tax" means 18 percent of the annual
8 site fee paid or payable to the owner of a mobile home park.¹

9 "Tax year" means the calendar year in which a homestead is
10 assessed and the property tax is levied thereon.

11

12 2. Every eligible claimant shall be entitled ³[, beginning with] to³
13 reimbursement for ³[the property tax year 1997] each year subsequent
14 to the base year³ and annually thereafter, on proper claim being made
15 therefor to the ³[commissioner] director³, to a homestead property
16 tax reimbursement. ³[An eligible claimant granted a homestead
17 property tax reimbursement under P.L. , c. (C.)
18 (pending before the Legislature as this bill) may receive in addition to
19 a homestead property tax reimbursement any other property tax
20 rebate, credit or tax deduction provided by any other law.] The
21 amount of the homestead property tax reimbursement shall be reduced
22 by the amount of the deductions taken by the eligible claimant
23 pursuant to P.L.1963, c.171 (C.54:4-8.10 to 54:4-8.23) and P.L.1964,
24 c.255 (C.54:4-8.40 to 54:4-8.45).³ The surviving spouse of a
25 deceased resident of this State who during his or her life received a
26 homestead property tax reimbursement pursuant to P.L. , c.
27 (C.) (pending before the Legislature as this bill) shall be
28 entitled, so long as he or she remains a resident in the same homestead
29 with respect to which the homestead property tax reimbursement was
30 granted, and so long as he or she ³[remains eligible for PAAD
31 benefits] is an eligible claimant³, to the same homestead property tax
32 reimbursement, upon the same conditions, with respect to the same
33 homestead.

34

35 3. An application for a homestead property tax reimbursement
36 hereunder shall be filed with the ³[commissioner] director³ on or
37 before December 31, ³[1997] 1998³ and on or before December 31
38 annually thereafter and shall reflect the prerequisites for a homestead
39 property tax reimbursement on ³[November 1] December 31³ of the
40 year of filing; provided, however, that the ³[commissioner] director³
41 may, by rule, waive the requirement for filing an annual application for
42 any year or years subject to any limitations and conditions the
43 ³[commissioner] director³ may deem appropriate. The application
44 shall be on a form prescribed by the ³[commissioner] director³ and
45 provided for the use of applicants hereunder. Each applicant making

1 a claim for a homestead property tax reimbursement under this act
2 shall provide ³, if required by the director, ³ to the ³[commissioner]
3 director³ a copy of his or her current year property tax bill ¹or current
4 year site fee bill¹ on the homestead constituting that person's principal
5 residence and a copy of his or her property tax bill for the base year
6 ¹or site fee bill for the base year¹ on the same homestead, or other
7 equivalent proof as permitted by the ³[commissioner] director³.

8 It shall be the duty of every eligible claimant to inform the
9 ³[commissioner] director³ of any change in his or her status or
10 homestead which may affect his or her right to continuance of the
11 homestead property tax reimbursement.

12 ³If an eligible claimant receives an additional homestead property
13 tax reimbursement to which the claimant was not entitled or greater
14 than the reimbursement to which the claimant was entitled, the director
15 may, in addition to all other available legal remedies, offset such
16 amount against a gross income tax refund or amount due pursuant to
17 P.L.1990, c.61.³

18
19 4. The ³[commissioner] director³ shall administer the homestead
20 property tax reimbursement program. A payment for the homestead
21 property tax reimbursement amount, as calculated by the
22 ³[commissioner] director³, shall be mailed to each person determined
23 by the ³[commissioner] director³ to be an eligible claimant under this
24 act on or before July 15, ³[1998] 1999³ and July 15 annually
25 thereafter. All payments made pursuant to this section shall be
26 appropriated from receipts in the Casino Revenue Fund.

27
28 5. When title to a homestead as to which a homestead property tax
29 reimbursement is claimed is held by an eligible claimant and another or
30 others, either as tenants in common or as joint tenants, the eligible
31 claimant shall not be allowed a homestead property tax reimbursement
32 in an amount in excess of his or her proportionate share of the taxes
33 assessed against the homestead, which proportionate share, for the
34 purposes of this act, shall be deemed to be equal to that of each of the
35 other tenants, unless it is shown that the interests in question are not
36 equal, in which event the eligible claimant's proportionate share shall
37 be as shown. Nothing herein shall preclude more than one tenant,
38 whether title be held in common or joint tenancy, from claiming a
39 homestead property tax reimbursement from the taxes assessed against
40 the property so held, but no more than the equivalent of one full
41 homestead property tax reimbursement in regard to such homestead
42 shall be allowed in any year. In any case in which the eligible
43 claimants cannot agree as to the apportionment thereof, such
44 homestead property tax reimbursement shall be apportioned between
45 or among them in proportion to their interest. Property held by
46 husband and wife, as tenants by the entirety, shall be deemed wholly

1 owned by each tenant, but no more than one full homestead property
2 tax reimbursement in regard to such homestead shall be allowed in any
3 year. Right to claim a homestead property tax reimbursement
4 hereunder shall extend to a homestead the title to which is held by a
5 partnership, to the extent of the eligible claimant's interest as a partner
6 therein, and by a guardian, trustee, committee, conservator or other
7 fiduciary for any person who would otherwise be entitled to claim such
8 homestead property tax reimbursement hereunder, but not to a
9 homestead the title to which is held by a corporation; except that a
10 residential shareholder in a cooperative or mutual housing corporation
11 shall be entitled to claim a homestead property tax reimbursement if he
12 or she is otherwise eligible to receive it, to the extent of the
13 proportionate share of the taxes assessed against the homestead of the
14 corporation, or any other entity holding title, attributable to his or her
15 unit therein. No eligible claimant shall be entitled to payment under
16 this act for a homestead property tax reimbursement on more than one
17 homestead within the State in the same tax year.

18

19 ³[6. A municipality may apply to the State Treasurer, for any costs
20 incurred by the municipality in connection with the administration of
21 this act in accordance with such procedures as shall be determined by
22 the State Treasurer.]³

23

24 ³[7] 6³. Pursuant to the "Administrative Procedure Act,"
25 P.L.1968, c.410 (C.52:14B-1 et seq.), the ³[**commissioner**] director³
26 shall promulgate such rules and regulations and prescribe such forms
27 as the ³[**commissioner**] director³ shall deem necessary to implement
28 this act. The ³[**commissioner**] director³ shall also promulgate rules
29 and regulations to implement an appeals process for aggrieved persons
30 to use if eligibility for a homestead property tax reimbursement rebat
31

32

33 ³7. In the event that a previously eligible claimant ceases to be an
34 eligible claimant for any tax year, the base year for that claimant shall
35 be the year prior to which the claimant again becomes an eligible
36 claimant.³

36

37 ³8. Section 3 of P.L.1996, c.60 (C.54:3A-17) is amended to read
38 as follows:

39 3. a. A resident taxpayer under the "New Jersey Gross Income
40 Tax Act," N.J.S.54A:1-1 et seq., shall be allowed a deduction from
41 gross income for property taxes not in excess of \$10,000, subject to
42 the limitations of subsection f. of this section, due and paid for the
43 calendar year in which the taxes are due and payable on the taxpayer's
44 homestead.

45 b. A deduction for property taxes shall be allowed pursuant to this
46 section in relation to the amount of the property taxes actually paid by

1 or allocable to a resident taxpayer who has more than one homestead,
2 but the aggregate amount of the property taxes claimed shall not
3 exceed the total of the proportionate amounts of property taxes
4 assessed and levied against or allocable to each homestead for the
5 portion of the taxable year for which the taxpayer occupied it as the
6 taxpayer's principal residence.

7 c. If title to a homestead is held by more than one individual as
8 joint tenants or tenants in common, each individual shall be allowed a
9 deduction pursuant to this section only in relation to the individual's
10 proportionate share of the property taxes assessed and levied against
11 the homestead. The proportionate share shall be equal to that of all
12 other individuals who hold the title, but if the conveyance under which
13 the title is held provides for unequal interests therein, a taxpayer's
14 share of the property taxes shall be in proportion to the taxpayer's
15 interest in the title.

16 d. If title to a homestead is held by a husband and wife who own
17 the homestead as tenants by the entirety, or if that husband and wife
18 are both residential shareholders of a cooperative or mutual housing
19 corporation and occupy the same homestead therein, and who elect to
20 file separate income tax returns pursuant to the "New Jersey Gross
21 Income Tax Act," N.J.S.54A:1-1 et seq., that husband and wife shall
22 each be entitled to one-half of the deduction for property taxes for
23 which they may be jointly eligible pursuant to this section.

24 e. If the homestead is a dwelling house consisting of more than one
25 unit, that taxpayer shall be allowed a deduction for property taxes only
26 in relation to the proportionate share of the property taxes assessed
27 and levied against the residential unit occupied by the taxpayer, as
28 determined by the local tax assessor.

29 f. Notwithstanding the provisions of subsection a. of this section
30 to the contrary: (1) a resident taxpayer shall be allowed a deduction
31 for a taxpayer's taxable year beginning during 1996 based on 50% of
32 the property taxes not in excess of \$5,000 paid on the taxpayer's
33 homestead; and (2) a resident taxpayer shall be allowed a deduction
34 for a taxpayer's taxable year beginning during 1997 based on 75% of
35 the property taxes not in excess of \$7,500 paid on the taxpayer's
36 homestead.

37 g. Notwithstanding any other provision of this section, the
38 deduction allowed under this section to a resident taxpayer eligible to
39 receive a homestead property tax reimbursement pursuant to P.L. _____,
40 c. _____ (C. _____) (pending before the Legislature as this bill) shall not
41 exceed that resident taxpayer's base year property tax liability as
42 determined pursuant to P.L. _____, c. _____ (C. _____) (pending before the
43 Legislature as this bill).³

44 (cf: P.L.1996, c.60, s.3)

45

46 ³9. The income eligibility limits provided in the definition of

1 "eligible claimant" under Section 1 of P.L. , c. (C.) (pending
2 before the Legislature as this bill) shall increase by the amount of the
3 maximum Social Security benefit cost of living increase for that year
4 for single and married persons, respectively. The director shall adopt
5 new income limits annually by notice or regulation.³

6
7 ³10. Any person violating any provisions of this act shall be subject
8 to the applicable civil and criminal penalties under New Jersey law.
9 Any person who violates any provisions of this act shall be subject to
10 a suspension of eligibility for one year for a first offense and
11 permanent revocation of eligibility for a second offense.³

12
13 ³[8.] 11.³ This act shall take effect immediately.

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16
17
18 Provides homestead property tax reimbursement to certain PAAD-
19 qualified senior and disabled homeowners.

1 homestead property tax reimbursement from the taxes assessed against
2 the property so held, but no more than the equivalent of one full
3 homestead property tax reimbursement in regard to such homestead
4 shall be allowed in any year. In any case in which the eligible
5 claimants cannot agree as to the apportionment thereof, such
6 homestead property tax reimbursement shall be apportioned between
7 or among them in proportion to their interest. Property held by
8 husband and wife, as tenants by the entirety, shall be deemed wholly
9 owned by each tenant, but no more than one full homestead property
10 tax reimbursement in regard to such homestead shall be allowed in any
11 year. Right to claim a homestead property tax reimbursement
12 hereunder shall extend to a homestead the title to which is held by a
13 partnership, to the extent of the eligible claimant's interest as a partner
14 therein, and by a guardian, trustee, committee, conservator or other
15 fiduciary for any person who would otherwise be entitled to claim such
16 homestead property tax reimbursement hereunder, but not to a
17 homestead the title to which is held by a corporation; except that a
18 residential shareholder in a cooperative or mutual housing corporation
19 shall be entitled to claim a homestead property tax reimbursement if he
20 or she is otherwise eligible to receive it, to the extent of the
21 proportionate share of the taxes assessed against the homestead of the
22 corporation, or any other entity holding title, attributable to his or her
23 unit therein. No eligible claimant shall be entitled to payment under
24 this act for a homestead property tax reimbursement on more than one
25 homestead within the State in the same tax year.

26

27 6. A municipality may apply to the State Treasurer, for any costs
28 incurred by the municipality in connection with the administration of
29 this act in accordance with such procedures as shall be determined by
30 the State Treasurer.

31

32 7. Pursuant to the "Administrative Procedure Act," P.L.1968,
33 c.410 (C.52:14B-1 et seq.), the commissioner shall promulgate such
34 rules and regulations and prescribe such forms as the commissioner
35 shall deem necessary to implement this act. The commissioner shall
36 also promulgate rules and regulations to implement an appeals process
37 for aggrieved persons to use if eligibility for a homestead property tax
38 reimbursement rebate is denied.

39

40 8. This act shall take effect immediately.

41

42

43

STATEMENT

44

45 This bill provides, annually beginning in calendar year 1998, a
46 homestead property tax reimbursement to senior and disabled, PAAD-

1 eligible residents of the State who are homeowners and who have paid
2 property taxes on a homestead or rental unit used as their principal
3 residence in this State for at least 15 consecutive years. The annual
4 homestead property tax reimbursement payments would effectively
5 freeze the property taxes for those eligible senior and disabled
6 residents. Currently, single persons must have an annual income of
7 less than \$17,550, and a married couple must have an annual income
8 of less than \$21,519, in order to be eligible for assistance under the
9 PAAD program. Those qualified homeowners would be eligible to
10 receive a check from the State equal to the difference between the
11 amount of property taxes paid for the base tax year of 1996 or a base
12 year being the year in which such a person becomes eligible for this
13 benefit, and any future tax year in which the eligible homeowner pays
14 taxes that are higher than the base-year amount. The homestead
15 property tax reimbursement is intended to further the State's interest
16 in maintaining a diverse population through the preservation,
17 continuity and stability of its low-income senior and disabled
18 homeowners who have contributed to the fabric, social structure and
19 finances of New Jersey communities, by affording protection to those
20 homeowners who may otherwise be forced to move out of State upon
21 disability or retirement due to increasing property taxes.

22 The homestead property tax reimbursement is to be calculated by
23 the Commissioner of Health and Senior Services, who is directed to
24 administer the homestead property tax reimbursement program using
25 information, in the form of property tax payment, or other equivalent
26 proof as permitted by the commissioner, provided by applicants for the
27 homestead property tax reimbursement. The homestead property tax
28 reimbursement is required to be paid to those eligible homeowners on
29 or before July 15, 1998 and on or before July 15 in each succeeding
30 year. Payments made pursuant to this bill will be appropriated from
31 receipts in the Casino Revenue Fund. The bill gives the commissioner
32 the power to promulgate rules and regulations and prescribe the
33 necessary forms, as the commissioner deems necessary to implement
34 the homestead property tax reimbursement program. The bill also
35 permits a municipality to apply to the State Treasurer for any costs
36 incurred by the municipality in connection with the administration of
37 this bill in accordance with procedures determined by the State
38 Treasurer.

39

40

41

42

43 Provides homestead property tax reimbursement to certain PAAD-
44 qualified senior and disabled homeowners.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 3

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: JUNE 16, 1997

The Assembly Appropriations Committee reports favorably Assembly Bill No. 3 (1R) with committee amendments.

Assembly Bill No. 3 (1R), as amended, provides annually beginning in calendar year 1998, a homestead property tax reimbursement to senior and disabled residents of the State who: (1) are eligible for the program of pharmaceutical assistance to the aged and disabled (PAAD); (2) are current homeowners or mobile home owners; and (3) have paid property taxes on a homestead or rental unit, or mobile home park rental fees on a mobile home, used as their principal residence in this State for at least 10 consecutive years. The annual homestead property tax reimbursement payments would, in effect, "freeze" the property taxes for those eligible senior and disabled residents.

Currently, a single person must have an annual income of less than \$17,550, and a married couple must have an annual income of less than \$21,519, to be eligible for assistance under the PAAD program. Eligible senior and disabled residents could receive a State payment equal to the difference between the amount of property taxes paid for the base tax year (1996 or a later year in which the person first becomes eligible for this benefit) and any future tax year in which the eligible homeowner pays taxes that are higher than the base-year amount.

The homestead property tax reimbursement will be calculated by the Commissioner of Health and Senior Services, who will administer the homestead property tax reimbursement program using information, in the form of property tax payments or other equivalent proof as permitted by the commissioner, provided by applicants for the homestead property tax reimbursement. The homestead property tax reimbursement is required to be paid to those eligible homeowners on or before July 15, 1998 and on or before July 15 in each succeeding year. Payments made pursuant to this bill will be appropriated from receipts in the Casino Revenue Fund. The bill also permits a

municipality to apply to the State Treasurer for any costs incurred by the municipality in connection with the administration of this bill, in accordance with procedures to be determined by the State Treasurer.

FISCAL IMPACT:

Based on property tax data obtained from the Division of Taxation in the Department of the Treasury, PAAD enrollment data from the Department of Health and Senior Services, federal census data on senior citizen mobility and mobile home ownership, and data from the New Jersey Manufactured Housing Association, it has been estimated that, including program administrative costs, the homestead property tax reimbursement program will have a maximum cost of approximately \$21 million in FY1999, \$39 million in FY2000 and \$57 million in FY2001.

COMMITTEE AMENDMENTS:

The amendments change a program eligibility requirement, reducing the period that a participant must have paid property taxes on a homestead or rental unit, or mobile home park rental fees on a mobile home, used as the participants principal residence from 15 to 10 consecutive years.

ASSEMBLY SENIOR ISSUES, TOURISM AND GAMING
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 9, 1997

The Assembly Senior Issues, Tourism and Gaming Committee reports favorably and with committee amendments Assembly, No. 3.

As amended by the committee, this bill provides, annually beginning in calendar year 1998, a homestead property tax reimbursement to senior and disabled, PAAD-eligible residents of the State who are homeowners and who have paid property taxes, or mobile home park site fees constituting property taxes, on a homestead or rental unit used as their principal residence in this State for at least 15 consecutive years. The annual homestead property tax reimbursement payments would effectively freeze the property taxes for those eligible senior and disabled residents. Currently, single persons must have an annual income of less than \$17,550, and a married couple must have an annual income of less than \$21,519, in order to be eligible for the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program. Qualified homeowners would be eligible to receive a check from the State equal to the difference between the amount of property taxes paid for the base tax year of 1996 or a base year in which such a person becomes eligible for this benefit, and any future tax year in which the eligible homeowner pays taxes that are higher than the base-year amount.

The homestead property tax reimbursement is intended to further the State's interest in maintaining a diverse population through the preservation, continuity and stability of its low-income senior and disabled homeowners, who have contributed to the fabric, social structure and finances of New Jersey communities, by affording protection to those homeowners who may otherwise be forced to move out of State due to increasing property taxes.

The homestead property tax reimbursement is to be calculated by the Commissioner of Health and Senior Services, who is directed to administer the homestead property tax reimbursement program using information, in the form of property tax payment, or other equivalent proof as permitted by the commissioner, provided by applicants for the homestead property tax reimbursement. The homestead property tax

reimbursement is required to be paid to those eligible homeowners on or before July 15, 1998 and on or before July 15 in each succeeding year. Payments made pursuant to this bill will be appropriated from receipts in the Casino Revenue Fund. The bill gives the commissioner the power to promulgate rules and regulations and prescribe the necessary forms the commissioner deems necessary to implement the homestead property tax reimbursement program. The bill also permits a municipality to apply to the State Treasurer for any costs incurred by the municipality in connection with the administration of this bill in accordance with procedures determined by the State Treasurer.

COMMITTEE AMENDMENTS

The committee amended the bill to include the lessee of a mobile home park site on which the lessee owns a manufactured or mobile home as eligible for the homestead property tax reimbursement program if that lessee meets the other qualifications of the program. The committee amendments define "site fee constituting property tax" as 18 percent of the annual site fee paid or payable to the owner of the mobile home park. The committee also amended the bill to clarify that for eligible claimants who have paid property tax for only a portion of the base year, the amount paid in the base year would be the annualized amount otherwise payable.

SENATE COMMUNITY AFFAIRS COMMITTEE

STATEMENT TO

[Second Reprint]

ASSEMBLY, No. 3

STATE OF NEW JERSEY

DATED: DECEMBER 15, 1997

The Senate Community Affairs Committee reports favorably Assembly Bill No. 3 (2R).

This bill would provide annually beginning in calendar year 1998, a homestead property tax reimbursement to senior and disabled persons who: (1) are eligible for the program of pharmaceutical assistance to the aged and disabled (PAAD); (2) are current homeowners or mobile home owners; and (3) have paid property taxes on a homestead or rental unit, or mobile home park rental fees on a mobile home, used as their principal residence in this State for at least 10 consecutive years. The annual homestead property tax reimbursement payments would, in effect, "freeze" the property taxes for those eligible senior and disabled residents.

Currently, a single person must have an annual income of less than \$17,550, and a married couple must have an annual income of less than \$21,519, to be eligible for assistance under the PAAD program. Eligible senior and disabled residents could receive a State payment equal to the difference between the amount of property taxes paid for the base tax year (1996 or a later year in which the person first becomes eligible for this benefit) and any future tax year in which the eligible homeowner pays taxes that are higher than the base-year amount.

The homestead property tax reimbursement would be calculated by the Commissioner of Health and Senior Services, who would administer the homestead property tax reimbursement program using information, in the form of property tax payments or other equivalent proof as permitted by the commissioner, provided by applicants for the homestead property tax reimbursement. The homestead property tax reimbursement would be required to be paid to those eligible homeowners on or before July 15, 1998 and on or before July 15 in each succeeding year. Payments made pursuant to this bill will be appropriated from receipts in the Casino Revenue Fund. The bill would also permit a municipality to apply to the State Treasurer for any costs incurred by the municipality in connection with the administration of this bill, in accordance with procedures to be determined by the State Treasurer.

This bill is identical to Senate, No. 2179 with Senate Committee amendments reported by the committee on December 15, 1997.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[Second Reprint]

ASSEMBLY, No. 3

STATE OF NEW JERSEY

DATED: DECEMBER 15, 1997

The Senate Budget and Appropriations Committee reports favorably Assembly Bill No. 3 (2R).

Assembly Bill No. 3 (2R) provides annually, beginning in calendar year 1998, a homestead property tax reimbursement to senior and disabled residents of the State who: (1) are eligible for the program of pharmaceutical assistance to the aged and disabled (PAAD); (2) are current homeowners or mobile home owners; and (3) have paid property taxes on a homestead or rental unit, or mobile home park rental fees on a mobile home, used as their principal residence in this State for at least 10 consecutive years. The annual homestead property tax reimbursement payments would, in effect, "freeze" the property taxes for those eligible senior and disabled residents.

Currently, a single person must have an annual income of less than \$17,550, and a married couple must have an annual income of less than \$21,519, to be eligible for assistance under the PAAD program. Eligible senior and disabled residents could receive a State payment equal to the difference between the amount of property taxes paid for the base tax year (1996 or a later year in which the person first becomes eligible for this benefit) and any future tax year in which the eligible homeowner pays taxes that are higher than the base-year amount.

The homestead property tax reimbursement will be calculated by the Commissioner of Health and Senior Services who will administer the homestead property tax reimbursement program using information provided by applicants for the homestead property tax reimbursement. The homestead property tax reimbursement is required to be paid to those eligible homeowners on or before July 15, 1998 and on or before July 15 in each succeeding year. Payments made pursuant to this bill will be appropriated from receipts in the Casino Revenue Fund. The bill also permits a municipality to apply to the State Treasurer for any costs incurred by the municipality in connection with the administration of this bill, in accordance with procedures to be determined by the State Treasurer.

As reported, this bill is identical to Senate Bill No. 2179 (1R) (Connors/DiFrancesco).

FISCAL IMPACT:

In a fiscal note prepared by the Office of Legislative Services (OLS), the OLS states that the Department of the Treasury in its fiscal note worksheet estimates the program will cost \$21 million in FY 1999. OLS estimates, based on additional information received, that the program will cost a maximum of \$20.7 million in FY 1999, \$39.5 million in FY 2000, and \$57.4 million in FY 2001. After 10 years, in FY 2008, using the same rates of change, OLS estimates the program will cost \$160.6 million.

January 12, 1998

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

ASSEMBLY BILL NO. 3
(Second Reprint)

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I herewith return Assembly Bill No. 3 (Second Reprint) with my recommendations for reconsideration.

A. Summary of Bill

This landmark legislation, sponsored by Assembly Speaker Collins, Senate President DiFrancesco, and others, seeks to hold New Jersey's senior and disabled citizens who live on limited incomes harmless in the event that there are increases in their property taxes. The bill seeks to do so not by causing disparities in the property tax rates based on age and physical condition, but instead by requiring the State to reimburse senior and disabled citizens who live on limited incomes the difference between the amount of property taxes they paid in a base year and any future higher amounts they are asked to pay by their local governments.

I have spoken out strongly in support of the concept of legislation that accomplishes a similar objective for the State's most needy senior and disabled citizens, and I reaffirm that support today.

B. Recommended Action

While I applaud the sponsors' work, some technical issues must be addressed in order to ensure that the concept of a property tax freeze for the neediest senior and disabled citizens is accurately reflected in the substantive provisions and in order to ensure that the administration of the program is fair and cost-effective. Therefore, I am proposing changes to address the following concerns.

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1. Assembly Bill No. 3 reaches back in time and actually reduces the impact of property tax bills to the 1996 tax year levels for citizens who have already reached the age of seniority. This goes beyond the concept of a simple freeze and, as the sponsors have indicated, was not their intent. If not changed, this provision would double the cost to the State in the first fiscal year from \$20 million to \$40 million.

2. The bill's application deadline, which expired last year, must be amended.

3. The bill requires the Commissioner of Health and Senior Services to administer the program, but the Treasurer is better situated to ensure that a more user-friendly and cost-efficient program is developed.

4. The bill requires "reimbursement" even in instances where the senior or disabled citizen failed to make payment of his or her tax bill. This would result in cash "reimbursements" where none was earned or deserved.

5. The bill allows a "reimbursement" in situations where the property tax was reduced due to a decision by a County Board or Tax Court. Again, this would result in "reimbursements" where none was really necessary.

6. The bill does not allow the State to offset excessive reimbursements from homestead property taxes on the Gross Income Tax Refund. This is an essential component in order to allow administrative efficiency and to protect the Treasury.

7. The bill allows municipalities to apply to the Treasurer for costs associated with administration. Because municipalities have no administrative duties, such requests for

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reimbursements associated with this program are unwarranted and unnecessary.

8. The bill allows a claimant to receive a double tax benefit based on paid property taxes. First, the claimant would receive an income tax deduction based on his or her property tax assessment, and then receive a reimbursement. In order to prevent a double benefit, the deduction should be established at the base year amount which represents the out-of-pocket expenses associated with property taxes.

9. The bill establishes no funding for what is likely to be labor-intensive administration of this program. I anticipate the administration of this program necessitating a help line and availability of personal assistance so that seniors and the disabled can receive help with their concerns and questions. The program should be as user-friendly as possible.

10. The bill allows an older citizen to purchase a new home and conceivably receive a freeze on property taxes the very next year. No citizen should expect to be held harmless from foreseeable property tax increases immediately after purchasing a home. Unless Assembly Bill No. 3 (Second Reprint) is amended, it will undermine the policy of ensuring that the benefits in this legislation are provided to address only unanticipated and unplanned tax increases that could unfairly cause a senior or disabled citizen to leave his or her home.

11. The bill allows a citizen to receive reimbursements even if he does not pay or owe any property taxes. All references to "reimbursements" for senior and disabled citizens who neither owe nor pay property taxes should be removed from the bill.

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12. The bill provides that a homeowner who requalifies for participation in the program after several years of ineligibility retains his or her original base year. This would cause initial reimbursements for senior and disabled seniors who requalify to be very high in comparison to their previous receipt of no reimbursement because their base year would be several years--possibly even decades--old. A new base year should be established each time a homeowner requalifies in order to prevent spikes in reimbursement rates.

Accordingly, I herewith return Assembly Bill No. 3 (Second Reprint) and recommended that it be amended as follows:

<u>Page 1, Section 1, Line 10:</u>	Delete "November 1, 1996" insert "December 31, 1997"
<u>Page 1, Section 1, Line 10:</u>	Delete "1996" insert "1997"
<u>Page 1, Section 1, Line 12:</u>	Delete "November 1, 1996" insert "December 31, 1997"
<u>Page 1, Section 1, After Line 15:</u>	Insert "'Director" means the Director of the Division of Taxation."
<u>Page 2, Section 1, Lines 5-6:</u>	Delete "or having qualified to receive"
<u>Page 2, Section 1, Line 7:</u>	Delete "November 1, 1997" insert "December 31, 1998"
<u>Page 2, Section 1, Line 8:</u>	Delete "November 1" insert "December 31"
<u>Page 2, Section 1, Lines 20-22:</u>	Delete in entirety and insert: "has an annual income of less than \$17,918, if single, or if married, whose annual income combined with that of the spouse is less than \$21,970."
<u>Page 2, Section 1, Line 27:</u>	After "years" insert "at least three of which as owner of the homestead for which a homestead property tax reimbursement is sought"

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- Page 3, Section 1, Line 21: Delete "paid or payable"
insert "due and paid"
- Page 3, Section 1, Line 24: After the word "tax" insert
"due and"
- Page 3, Section 1, Line 24: Delete "or, for eligible"
- Page 3, Section 1, Lines 25-26: Delete "claimants who have
paid property tax for only a
portion of the base year, the
annualized amount otherwise
payable,"
- Page 3, Section 1, Line 27: Delete "or the annualized
amount"
- Page 3, Section 1, Line 28: Delete "exclude" insert "be
reduced by any"
- Page 4, Section 1, Lines 26-28: Delete in entirety; insert
"Income" means income as
determined pursuant to P.L.
1975, c.194 (C:30:4D-20 et
seq.)"
- Page 4, Section 1, Line 34: Delete "paid or payable"
insert "due and paid"
- Page 4, Section 2, Line 42: Delete ", beginning with"
insert "to"
- Page 4, Section 2, Line 43: Delete "the property tax year
1997" insert "each year
subsequent to the base year"
- Page 4, Section 2, Line 44: Delete "commissioner" insert
"director"
- Page 4, Section 2, Lines 45-46: Delete "An eligible claimant
granted a homestead property
tax reimbursement under
P.L. 1975, c. 194"
- Page 5, Section 2, Lines 1-3: Delete in entirety; insert
"The amount of the homestead
property tax reimbursement
shall be reduced by the amount
of the deductions taken by the
eligible claimant pursuant to
P.L. 1963, c.171 (C.54:4-8.1
to 54:4-8.23) and P.L. 1964,
c.255 (C.54:4-8.40 to
54:4-8.45)."

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<u>Page 5, Section 2, Line 10:</u>	Delete "remains eligible for PAAD benefits" insert "is an eligible claimant"
<u>Page 5, Section 3, Line 15:</u>	Delete "commissioner" insert "director"
<u>Page 5, Section 3, Line 16:</u>	Delete "1997" insert "1998"
<u>Page 5, Section 3, Line 18:</u>	Delete "November 1" insert "December 31"
<u>Page 5, Section 3, Line 19:</u>	Delete "commissioner" insert "director"
<u>Page 5, Section 3, Line 21:</u>	Delete "commissioner" insert "director"
<u>Page 5, Section 3, Line 22:</u>	Delete "commissioner" insert "director"
<u>Page 5, Section 3, Line 25:</u>	After "provide" insert ", if required by the director,"; delete "commissioner" insert "director"
<u>Page 5, Section 3, Line 30:</u>	Delete "commissioner" insert "director"
<u>Page 5, Section 3, Line 32:</u>	Delete "commissioner" insert "director"
<u>Page 5, Section 3, Line 35:</u>	Insert "If an eligible claimant receives an additional homestead property tax reimbursement to which the claimant was not entitled or greater than the reimbursement to which the claimant was entitled, the director may, in addition to all other available legal remedies, offset such amount against a gross income tax refund or amount due pursuant to P.L. 1990, c. 61."
<u>Page 5, Section 4, Line 36:</u>	Delete "commissioner" insert "director"
<u>Page 5, Section 4, Line 38:</u>	Delete "commissioner" insert "director"
<u>Page 5, Section 4, Line 39:</u>	Delete "commissioner" insert "director"
<u>Page 5, Section 4, Line 40:</u>	Delete "1998" insert "1999"

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- Page 6, Section 6, Lines 35-38: Delete in entirety
- Page 6, Section 7, Line 40: Delete "7." insert "6."
- Page 6, Section 7, Line 41: Delete "commissioner" insert "director"
- Page 6, Section 7, Line 42: Delete "commissioner" insert "director"
- Page 6, Section 7, Line 43: Delete "commissioner" insert "director"
- Page 6, Section 7, After Line 46: Insert new sections as follows:
- "7. In the event that a previously eligible claimant ceases to be an eligible claimant for any tax year, the base year for that claimant shall be the year prior to which the claimant again becomes an eligible claimant.
8. Section 3 of P.L. 1996, c.60 (C.54A:3A-17) is amended to read as follows:
- g. Notwithstanding any other provision of this section, the deduction allowed under this section to a resident taxpayer eligible to receive a homestead property tax reimbursement pursuant to P.L. , c. , (C.) (pending before the Legislature as this bill) shall not exceed that resident taxpayer's base year property tax liability as determined pursuant to P.L. , c. (C.) (pending before the Legislature as this bill (cf. P.L. 1996, c.60, §3)
9. The income eligibility limits provided in the definition of "eligible claimant" under Section : : P.L. , c. , (C.) (pending before the Legislature as this bill) shall increase by the amount of the maximum Social Security benefit cost of living increase for that year for

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single and married persons, respectively. The director shall adopt new income limits annually by notice or regulation.

10. Any person violating any provisions of this act shall be subject to the applicable civil and criminal penalties under New Jersey law. Any person who violates any provisions of this act shall be subject to a suspension of eligibility for one year for a first offense and permanent revocation of eligibility for a second offense."

Page 7, Section 8, Line 1:

Delete "8." insert "11."

Respectfully,

/s/ Christine Todd Whitman

GOVERNOR

[seal]

Attest:

/s/ Michael P. Torpey

Chief Counsel to the Governor

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OFFICE OF THE GOVERNOR NEWS RELEASE

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TRENTON, NJ 08625
RELEASE: Wed., Jan. 14, 1998

GOVERNOR ENACTS PROPERTY TAX FREEZE FOR SENIORS

Gov. Christie Whitman today strengthened her commitment to helping control local property taxes when she enacted a property tax freeze for nearly 280,000 New Jersey seniors. The new law will freeze property taxes at their 1997 level for eligible seniors.

“Throughout this administration, I have been committed to easing the property tax burden on the taxpayers of this state. And we must continue working to ease that burden,” said Gov. Whitman. “Today, we take the next step by providing real property tax relief to a group of New Jerseyans who need it very much – our state’s low income seniors and citizens with disabilities.”

“Together, along with the legislative sponsors of this bill, we are helping to preserve the independence of New Jersey seniors and ensuring that seniors on a fixed income will be able to make ends meet.”

The law signed by Gov. Whitman today will freeze property taxes at 1997 levels for seniors who meet the following criteria:

- Homeowners who are at least 65 years of age or are disabled;
- Have lived in New Jersey for at least ten years;
- Have owned their house for at least three years; and
- Earn no more than \$17,918 for single homeowners or \$21,970 for a married couple.

In order to receive benefits, eligible seniors and citizens with disabilities will have to apply by filling out forms provided by the Department of Treasury. They will be able to file applications in early 1999 based upon a property tax increase from 1997 to 1998 tax year.

“Working together with the Legislature and with municipal officials we must continue working to easing the property tax burden. That’s why yesterday I proposed giving citizens a chance to vote on municipal tax increases above the rate of inflation. That’s why I appointed a Property Tax Commission that is making recommendations about the most effective way to

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The Whitman Administration
**Budget Savings and Tools Provided to Municipalities to Help Them Keep
Property Taxes Under Control:**

- Signed legislation that reforms the binding arbitration process, providing local government with the tools to control spiraling employment contract costs.
- Signed legislation implementing a state mandate/state pay amendment to the constitution to put an end to the imposition of unfunded mandates on municipalities.
- Streamlined municipal aid programs -- held direct aid unchanged at \$1.5 billion, and held municipal aid steady overall.
- Absorbed the cost of the county court takeover, providing municipalities nearly \$450 million annually in direct property tax relief.
- Enacted a property tax deduction for state income taxes -- generating \$100 million in direct property tax relief to New Jersey citizens in 1997 alone.
- Improved management of the State Health Benefit Plan resulting in \$97.2 million in savings for municipalities -- which could be directly applied to property tax relief.
- Tripled the number of Local Government Budget Review teams that are helping local officials identify potential cost savings and efficiencies on the local level. The program has performed more than 35 local budget reviews for school districts and municipalities, identifying more than \$112 million in savings.
- Provided municipalities with the "Local Official's and Taxpayer's Guide to Performance Reviews," a manual which provides the framework for public officials and taxpayers to begin internal examinations of their communities to reduce the reliance on property taxes
- Advocated the sharing of services between municipalities wherever possible to improve efficiency while maintaining the same high level of service.
- Supported legislation allowing municipalities the flexibility to manage infrastructure costs through innovative public/private partnerships.
- Increased direct aid to school districts by \$398 million -- helping municipalities control costs.
- Enacted legislation to provide \$755 million aid to municipalities each year -- direct property tax relief -- over the next five years by restructuring utility taxes.
- Enacted legislation to freeze property tax rates at their 1997 levels for nearly 280,000 of New Jersey senior citizens.
- Proposed the requirement of voter approval for any municipal property tax increase in excess of the rate of inflation.

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control property taxes in New Jersey. And that's why I want to give citizens the opportunity to have an open statewide dialogue about consolidating school districts."

Gov. Whitman yesterday, during her State of the State address, called for voter approval of municipal budgets that raise property taxes above the rate of inflation. She also called for civil service reform to help municipalities control costs and proposed a statewide referendum on school regionalization to consider the regionalization of districts that may result in substantial property tax savings.

The tax break enacted today, coupled with yesterday's proposals, bolsters the Governor's record on helping local officials control local property taxes. Throughout her administration, Gov. Whitman has remained committed to lowering the overall tax burden on New Jersey citizens. She has cut taxes 16 times, including a 30 percent reduction in the personal income tax for most New Jerseyans. The administration has also enacted a number of business tax cuts to spur economic growth and job creation. During Gov. Whitman's term, these policies have helped create more than 225,000 net new jobs.

Gov. Whitman has also provided municipalities with a stable level of state aid, added budget savings and a variety of tools and programs to help local officials control property taxes paid by local residents.

Over the past four years, as a result of these efforts, combined with smart fiscal management by local officials, New Jersey municipalities experienced the smallest annual increase in property tax levies in 20 years.

The legislation, A-3, that was signed by the Governor today was sponsored by Assembly Speaker Jack Collins (R-Salem/Cumberland/Gloucester) and Assembly Member Tom Smith (R-Monmouth) and Senator Leonard Connors (R-Atlantic/ Burlington/Ocean) and Senate President Don DiFrancesco (R-Middlesex/Morris/ Somerset/Union).

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