Sponsored by:
Assemblyman LOUIS D. GREENWALD
District 6 (Burlington and Camden)
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District 4 (Camden and Gloucester)

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Senators Sarlo, Greenstein, Gordon, Pou and Turner

SYNOPSIS
Makes FY 2013 supplemental appropriation of $789,000,000 to Homestead Benefit Program and amends budget language provisions to provide for significantly enhanced property tax relief payments to beleaguered homeowners and tenants.

CURRENT VERSION OF TEXT
As introduced.
A3202 GREENWALD, MORIARTY

1 AN ACT amending and supplementing the Fiscal Year 2013 annual
2 appropriations act, P.L.2012, c. .
3
4 BE IT ENACTED by the Senate and General Assembly of the State
5 of New Jersey:

6 1. In addition to the amounts appropriated under P.L.2012, c. ,
7 the annual appropriations act for State fiscal year 2013, there are
8 appropriated out of the Property Tax Relief Fund the following
9 sums for the purposes specified:

10 82 DEPARTMENT OF THE TREASURY
11 70 Government Direction, Management, and Control
12 75 State Subsidies and Financial Aid
13
14 33-2078 Homestead Exemptions ........................................... $789,000,000
15 (From Property Tax Relief Fund ............ $789,000,000)
16 Total Grants-in-Aid Appropriation, State Subsidies
17 and Financial Aid .......................................................... $789,000,000
18 (From Property Tax Relief Fund ............ $789,000,000)

19 Grants-in-Aid:
20 33 Homestead Benefit Program for
21 Homeowners (PTRF) ............................... ($660,000,000)
22 33 Homestead Benefit Program for
23 Tenants (PTRF) .......................................... (129,000,000)

24 2. The following item of appropriation and language provisions in section 1
25 of P.L.2012, c. , the annual appropriations act for fiscal year 2013, are
26 amended to read as follows:

27 82 DEPARTMENT OF THE TREASURY
28 70 Government Direction, Management, and Control
29 75 State Subsidies and Financial Aid
30
31 33-2078 Homestead Exemptions ........................................... $612,000,000
32 (From Property Tax Relief Fund ............ $612,000,000)
33 Total Grants-in-Aid Appropriation, State Subsidies
34 and Financial Aid .......................................................... $612,000,000
35 (From Property Tax Relief Fund ............ $612,000,000)

36 Grants-in-Aid:
37 33 Homestead Benefit Program for
38 Homeowners (PTRF) ............................... ($398,500,000)
39
40 The amount hereinabove appropriated for the Homestead Benefit Program for
41 Homeowners shall be available to provide homestead benefits only to eligible
42 homeowners pursuant to the provisions of section 3 of P.L.1990, c.61 (C.54:4-8.59)

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.
as amended by P.L.2004, c.40 and by P.L.2007, c.62, as may be amended from time to time except that, notwithstanding the provisions of such laws to the contrary [(i) residents who are 65 years of age or older at the close of the tax year, or residents who are allowed to claim a personal deduction as a blind or disabled taxpayer pursuant to subsection b. of N.J.S.54A:3-1, with (a) gross income in excess of $150,000 for tax year 2011 are excluded from the program; (b) gross income in excess of $100,000 but not in excess of $150,000 for tax year 2011 are eligible for a benefit in the amount of 5% of the first $10,000 of property taxes paid, and (c) gross income not in excess of $100,000 for tax year 2011 are eligible for a benefit in the amount of 10% of the first $10,000 of property taxes paid; (ii), residents who are not 65 years of age or older at the close of the tax year, or residents who are not allowed to claim a personal deduction as a blind or disabled taxpayer pursuant to subsection b. of N.J.S.54A:3-1, with (a) gross income in excess of $75,000 for tax year 2011 are excluded from the program; (b) gross income in excess of $50,000 but not in excess of $75,000 for tax year 2011 are eligible for a benefit in the amount of 6.67% of the first $10,000 of property taxes paid; and (c) gross income not in excess of $50,000 for tax year 2011 are eligible for a benefit in the amount of 10% of the first $10,000 of property taxes paid. These benefits listed pursuant to this paragraph will be calculated based on the 2006 property tax amounts assessed or as would have been assessed on the October 1, 2011 principal residence of eligible applicants. The total homestead benefit provided to an eligible applicant in a given State fiscal year shall not exceed the homestead rebate amount paid to such eligible applicant for tax year 2006, absent a change in an applicant’s filing characteristics.] The homestead benefit shall be made in one or more installments after the application for the benefit has been approved, at the dates and in the form as the Director of the Division of Taxation shall determine. If the amount hereinafter appropriated for the Homestead Benefit Program for Homeowners is not sufficient, there is appropriated from the Property Tax Relief Fund such additional sums as may be required to provide such homestead benefits, subject to the approval of the Director of the Division of Budget and Accounting. 

The amount hereinafter appropriated for the Homestead Benefit Program for Tenants shall be available to provide homestead benefits only to eligible tenants pursuant to the provisions of section 4 of P.L.1990, c.61 (C.54:4-8.60) as amended by P.L.2004, c.40, as may be amended from time to time except that, notwithstanding the provisions of such laws to the contrary, residents who are not 65 years of age or older at the close of the tax year, or residents who are not allowed to claim a personal deduction as a blind or disabled taxpayer pursuant to subsection b. of N.J.S.54A:3-1, are eligible for a homestead benefit of $75. The homestead benefit shall be made in one installment after the application for the benefit has been approved, at the dates and in the form as the Director of the Division of Taxation shall determine. If the amount hereinafter appropriated for the Homestead Benefit Program for Tenants is not sufficient, there is appropriated from the Property Tax Relief Fund such additional sums as may be required to provide such homestead benefits, subject to the approval of the Director of the Division of Budget and Accounting. 

From the amount[s] amounts hereinafter appropriated for the Homestead Benefit Program for Homeowners and the Homestead Benefit Program for Tenants, there are appropriated such sums as may be necessary for the administration of the program[s], subject to the approval of the Director of the Division of Budget and Accounting.
From the [amount] amounts hereinabove appropriated for the Homestead Benefit Program for Homeowners and the Homestead Benefit Program for Tenants, there are appropriated such sums as may be required for payments of homestead benefits that have been approved but not paid pursuant to the annual appropriations act for the fiscal year the claimant applied for such homestead benefit, subject to the approval of the Director of the Division of Budget and Accounting.

From the [amount] amounts hereinabove appropriated for the Homestead Benefit Program for Homeowners and the Homestead Benefit Program for Tenants, there are appropriated from the Property Tax Relief Fund such sums as may be required for payments of property tax credits to homeowners and tenants pursuant to the “Property Tax Deduction Act,” P.L.1996, c.60 (C.54A:3A-15 et seq.). (cf: P.L.2012, c. , s.1)

3. This act shall take effect July 1, 2012 but remain inoperative until the date of enactment of P.L.2012, c. (pending before the Legislature as Assembly Bill No. 3201 or Senate Bill No. 1147 of 2012) and P.L.2012, c. (pending before the Legislature as Assembly Bill No. 3200 or Senate Bill No. 2013 of 2012).

STATEMENT

This bill makes a supplemental appropriation of $789,000,000 to a revised FY 2013 Homestead Benefit Program for both homeowners and tenants and clarifies the FY 2013 appropriation act line item of $398,500,000 for the FY 2013 Homestead Benefit Program as available as was proposed for the homeowners' portion of the overall program. The additional sum of $789,000,000 provides for significantly enhanced property tax relief payments to the State’s beleaguered homeowners and tenants who creak under the incessantly growing weight of the highest residential property taxes in the Nation. The legislation is contingent upon the enactment of a “Millionaire’s Tax” in accordance with Assembly Bill No. 3201 or Senate Bill No. 1147 of 2012.

The bill affects the four beneficiary classes as follows:

Homeowners who are blind, disabled or 65 years of age or older will receive homestead benefits according to statutory provisions under this bill. The benefit will equal 20 percent of the first $10,000 in property taxes paid in 2011 if an applicant’s income does not exceed $100,000; 15 percent if an applicant’s income is more than $100,000 but not more than $150,000; and 10 percent if an applicant’s income is more than $150,000 but not more than $250,000. Under the FY 2013 appropriations act, only senior, blind, and disabled homeowners with incomes up to $150,000 receive restricted benefits: 10 percent of the first $10,000 in property taxes paid in 2006 if an applicant’s income does not...
Other homeowners will receive the same homestead benefits under this bill to which they are entitled under the FY 2013 appropriations act but for two changes. First, eligibility is extended to non-senior, non-blind, non-disabled homeowners with incomes of more than $75,000 but not more than $100,000. Second, the benefit calculation is based on property taxes paid in 2011 instead of 2006. Consequently, these homeowners will receive a benefit equal to 10 percent of the first $10,000 in property taxes paid in 2011 if their income does not exceed $50,000; and 6.67 percent if their income is more than $50,000 but not more than $100,000.

Tenants who are blind, disabled or 65 years of age or older will receive homestead benefits according to statutory provisions under this bill. Notably, FY 2013 homestead benefits for such tenants with incomes not exceeding $70,000 will be between $150 and $850. Such tenants with incomes exceeding $70,000 but not exceeding $100,000 will receive a $150 payment. The FY 2013 appropriations act eliminates homestead benefits for all tenants. Other tenants will receive half their statutory homestead benefit payment, or $75, under this bill. The FY 2013 appropriations act eliminates homestead benefits for all tenants.