

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1672

STATE OF NEW JERSEY

DATED: JUNE 24, 2024

The Assembly Appropriations Committee reports favorably Assembly Bill No. 1672.

This bill would make disabled persons who receive disability payments pursuant to federal Railroad Retirement Act, (45 U.S.C. s. 231 et seq.), eligible to receive a homestead property tax reimbursement.

Under current law, only disabled persons who receive monetary payments pursuant to Title II of the federal Social Security Act (42 U.S.C. s.401 et seq.) are eligible to receive a homestead property tax reimbursement.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that the bill would result in increased annual State costs. The bill would not result in additional State costs until FY 2027 due to the timing of homestead property tax reimbursement payments.

Approximately 300 additional homeowners would become eligible for the homestead property tax reimbursement program, commonly known as the Senior Freeze program, in calendar year 2024, thereby establishing a base year under the program. Thereafter, these homeowners may file a claim to receive a homestead property tax reimbursement for the difference between total property taxes paid in subsequent years and their base year.

Although the number of railroad retirement disability beneficiaries is expected to decline over time, additional State costs are expected to increase because they are directly connected to annual increases in property taxes and the reimbursement payment is equal to the difference between property taxes paid in the base year and the “current” year.