

STAY NJ (PROPERTY TAX RELIEF PROGRAM) TASK FORCE MEETING

Minutes of the April 30, 2024 Board Meeting

Minutes of the meeting of the Stay NJ Property Tax Relief Program Task Force (the “Task Force”) held via Microsoft Teams on Tuesday, April 30, 2024 at 9:00 AM Eastern Standard Time.

MEMBERS OF THE BOARD IN ATTENDANCE

Dennis Zeveloff, Governor’s Office, Chief Policy Advisor
Aaron Binder, Department of the Treasury, Deputy State Treasurer, Cabinet Designee
Dr. Christopher Wheeler, Department of Community Affairs, Chief Data Officer, Cabinet Designee
Jessica Cohen, Public Member
Honorable John E. McCormac, Public Member
Honorable Adrian O. Mapp, Public Member

ADDITIONAL ATTENDEES

David Ridolfino, Executive Director, Stay NJ Task Force

Kavin Mistry, Deputy Director, Division of Law
Christine Machnowsky, Deputy Attorney General, Division of Law
David Drescher, Governor’s Office
LaShera Kirk, Treasury, Division of Administration

Chair Designee Dennis Zeveloff presided over the meeting and LaShera Kirk, Treasury, Division of Administration, kept the minutes.

Chair Designee Zeveloff called the meeting to order at 9:02AM. Chair Designee Zeveloff introduced himself and made the following statement:

I wish to announce that adequate notice of this meeting was provided in accordance with the Open Public Meetings Act. Notice of today’s meeting was filed with the Secretary of State, distributed by email and mail to the following five newspapers of general distribution: The Courier Post, Times of Trenton, the Asbury Park Press, the Star Ledger, and North Jersey.com and it was posted in the main entrance at the New Jersey Department of the Treasury and on the bulletin board for the Secretary of State.

Chair Designee Zeveloff turned the meeting over to Acting Secretary, David Ridolfino for roll call, with the following Board members acknowledging their presence:

Dennis Zeveloff, Governor’s Office, Chief Policy Advisor
Aaron Binder, Department of the Treasury, Deputy State Treasurer, Cabinet Designee
Dr. Christopher Wheeler, Department of Community Affairs, Chief Data Officer, Cabinet Designee
Jessica Cohen, Public Member
Honorable John E. McCormac, Public Member
Honorable Adrian O. Mapp, Public Member

This constituted a quorum of the members of the Stay NJ Task Force.

ITEMS OF DISCUSSION

I. Approval of the minutes from the 4/9/24 meeting

Chair Designee Zeveloff requested a motion to approve the meeting minutes from the April 9, 2024 Stay NJ Board Meeting. A motion was made to approve the meeting minutes by Public Member, Mayor John E. McCormac, seconded by Public Member, Mayor Adrian O. Mapp and approved by the affirmative vote of the six (6) voting members present.

Chair Designee Zeveloff turned the meeting over to Executive Director Ridolfino for the Executive Director's Report.

II. Executive Director's Report

Executive Director Ridolfino addressed the Board by providing a current update and an overview for the next month. He reiterated the purpose of the Task Force as set out, in part, in Ch. 75. He noted that the Task Force's recommended changes to the three tax programs from the April 9th Board meeting will help the Task Force achieve part of its responsibilities to restructure and consolidate the various property tax relief programs into one, streamlined, property tax relief program.

Executive Director Ridolfino stated that the deadline for the final report is approaching and a decision needs to be made on the delivery of benefits as credits on local property tax bills or direct payments via check and direct deposit. He reminded the Board that the priority of the Task Force is to make the entire process as simple as possible for seniors and for those that need to administer the programs. The changes discussed at the April 9th Board meeting will help to accomplish this. Therefore, a complicated method for delivering the benefits should be avoided. In line with this, Executive Director Ridolfino suggested that, in the first year, all benefits be paid directly to eligible seniors and that time be taken to determine what is necessary to improve on both prior and current credit processes in place.

Executive Director Ridolfino also discussed a recommendation reached collaboratively with regard to the program structure calculating benefits sequentially as opposed to an either/or type of program. He provided the following example:

"The application is completed by all NJ residents starting in early 2025. The budget passes on July 1, 2025 authorizing funding for all or a portion of the programs. At that point, based on applications filed, a determination is made [on] whether a person qualifies for Senior Freeze. If they do qualify and they completed the application by May, as so many seniors currently do, the Senior Freeze benefit is paid in mid-July 2025 just like it is today – no real change to the senior recipient.

Next, if the applicant qualifies for ANCHOR based on the February 2025 application, the qualifying applicant gets their benefit in Sept/October, just as they did last year –again, no change to the senior applicants and, in this case, non-senior applicants and renters.

...Assuming the requirements to fund Stay NJ are met in the budget on 7/1/25, the senior applicant would get a third payment. This time it's based on the difference between whether or not the applicant's benefit paid under the combined Freeze/ANCHOR calculation reached 50% of their property taxes or \$6500. If it does not, the senior receives

a third payment in October/November. If they already exceeded 50% of their property taxes, they receive no additional benefit from Stay.”

Executive Director Ridolfino pointed out that reaching an agreement on the benefit payment method and the sequential program structure would result in having met many of the requirements of Ch.75. The remaining task would be to determine the necessary steps to implement credits in subsequent years. The recommendation in the final report would then be to study the credit process in more detail and determine what is necessary to improve on the prior credit process used in the Homestead Credit program. If agreement on the year one payment method, with credits being the goal for subsequent years, and the sequential structure of the program, is reached, drafting of the final report could begin and a first draft completed within about a week.

Executive Director Ridolfino acknowledged the support provided by the staff in the Department of the Treasury and the Department of Community Affairs. He commended their hard work and expertise and noted that their continued involvement is critical to the success of this program.

Chair Designee Zeveloff expressed his appreciation to Mayor McCormac’s office, the staff of the Department of Community Affairs including Dr. Wheeler, Taxation staff, and the Treasurer’s Office staff for their work.

Public Member, Mayor Adrian O. Mapp asked if the recommendations presented would require legislative action.

Chair Designee Zeveloff responded that the final report would lead to new legislation.

Public Member, Mayor John E. McCormac commented that an idea he would like to see in the final report, presented by DCA and Dr. Wheeler’s staff, is to send out a notice to taxpayers with their rates and deductions listed from all three programs so that they can see what they are actually paying in taxes.

Chair Designee Zeveloff concurred and asked Dr. Wheeler to provide a mock up to include as an exhibit.

III. Program Structure

Executive Director Ridolfino provided more detail and some examples on the set up of a sequential program based on the assumption that the recommendations from the Board at the April 9th meeting are adopted: the recommendation does not change anything for non-seniors and renters currently getting a benefit from ANCHOR; a broader group of seniors who are currently not included in the Freeze and ANCHOR programs are reached; it potentially increases benefits for those who do qualify for Freeze and ANCHOR; and there is little to no change in how benefits are paid for Freeze and ANCHOR. Executive Director Ridolfino reiterated that more work and time is needed to address various concerns in establishing payments as credits.

Public Member, Jessica Cohen asked if the recommendations presented applied just to the first year and if credits would be applied to all three programs.

Executive Director Ridolfino responded that the recommendations would be for the programs as a whole, but direct payments would apply to the first year with credits for subsequent years. Credits would apply to the Stay NJ program, as envisioned, and the Senior Freeze program. ANCHOR does not have the potential to become a credit due to various factors.

Public Member, Jessica Cohen followed up, requesting clarification on whether budget fluctuations would be factored into the study.

Executive Director Ridolfino responded that everything is at risk in the budget, but Senior Freeze has been fairly consistent making it the logical first choice for a credit payment. Part of the recommendation is to allot the time to review these programs to plan a course of action on how best to implement credit payments.

Public Member, Mayor Adrian O. Mapp received confirmation that taxpayers exceeding the \$500,000 income threshold would receive no payments from these programs.

Public Member, Mayor John E. McCormac, and Cabinet Designees Binder and Wheeler agreed that including examples of challenges and possible solutions should be included in the report.

Chair Designee Zeveloff made a motion that the Task Force add the following to the recommendations adopted by the Task Force at its April 9, 2024 meeting: 1) Regarding program structure – the calculation of benefits will be made in a sequential manner beginning with Senior Freeze, then ANCHOR and, if the combined benefit from these two programs does not exceed 50% of the eligible applicant's property taxes up to \$6500, a third Stay NJ benefit payment will be made for the difference; 2) Regarding the benefit payment method - During the first year of the program, for the Senior Freeze, ANCHOR and Stay NJ Programs, benefits will be paid by check or direct deposit; 3) The Department of Community Affairs, in coordination with the Department of the Treasury and local governments, should develop a standard packet to be sent to all homeowners no later than the November tax bill, outlining the benefits a homeowner can expect to receive and displaying the actual property taxes to be paid in a given year when offset by property tax relief earned in the prior year; 4) the Departments of the Treasury and Community Affairs, along with local governments will continue to work towards the effective implementation of a credit process for future years including creating a survey to be sent to local governments to collect information necessary to effectively implement property tax credits in future years for Senior Freeze and Stay NJ; and 5) Regarding the benefit payment timeline, it is recommended that benefits for Senior Freeze and ANCHOR should be paid consistently with when the benefits were most recently paid. For the Stay NJ Program, benefits are recommended to be paid beginning in October. The motion was seconded by Public Member, Mayor John E. McCormac, and approved by the affirmative vote of the six (6) voting members present with an added note from Public Member, Jessica Cohen that there be a reconvening before the implementation of the credit program in year two. Chair Designee Zeveloff responded that this could be added to the initial piece of legislation.

Chair Designee Zeveloff asked for more details on the survey that the Departments of the Treasury and Community Affairs would like to develop for local governments to provide feedback on the most critical issues in making credits work.

Executive Director Ridolfino and Cabinet Designee, Dr. Christopher Wheeler agreed that, at this juncture, they are working on questions that can be answered quickly but which provide as much detail as possible on local governments' previous experiences with credits and improvements for future.

Chair Designee Zeveloff advised the Task Force and members of the public to feel free to submit their questions and suggestions.

IV. Report Format

Executive Director Ridolfino stated that Ch. 75, requires that the report identify system improvements and the costs associated, as well as the recommendations from the Task Force. In conjunction with staff from both DCA and Treasury, a template was created with sections touching on the role of the Task Force, background information on the tax environment, the history of property tax relief in New Jersey, the current ongoing relief measures for seniors, and the challenges with regard to credits. Executive Director Ridolfino then asked the Board for their input and feedback on what other areas the report should cover.

Chair Designee Zeveloff suggested including a section to describe the process and time constraints of the Task Force and that the Task Force's role was to develop recommendations for consideration and the Task Force does not have the authority to set policy.

Public Member, Mayor Adrian O. Mapp felt the report should include some of the public comments from the interest groups that appeared before the Board.

Public Member, Mayor John E. McCormac stated that every decision made and motion passed by the Task Force should be fully explained.

Cabinet Designee, Dr. Christopher Wheeler agreed stating a detailed justification for each one of the recommendations being made should be provided so that the legislature can understand the full context behind what is being proposed.

Executive Director Ridolfino made plans to get a table of contents out for review and edit within the week.

V. Task Force Members Open Discussion and Other Matters

Public Member, Mayor John E. McCormac asked how long the Task Force was to stay in operation and if it would be feasible to continue as a functioning Board.

Chair Designee Zeveloff responded that the Bill does state when the Task Force's term ends. Executive Director Ridolfino agreed, stating the Task Force, based on the legislation, would end roughly in May of 2025. A continuation of the Task Force could be discussed for inclusion in the report as a recommendation.

Chair Designee Zeveloff stated that the two big goals for the report are to talk about the sequencing of payments and what the implementation challenges would be.

VI. Next Meeting Discussion

Chair Designee Zeveloff suggested the next Board meeting be scheduled in early May based on availability.

Chairman Zeveloff requested a motion to adjourn. On a motion by Public Member, Mayor John E. McCormac, seconded by, Public Member, Mayor Adrian O. Mapp and carried by voice vote from members present voting in favor, the meeting was adjourned at 9:43 AM.