

SENATE BILL NO. 2524
(First Reprint)

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Senate Bill No. 2524 (First Reprint) with my recommendations for reconsideration.

This bill allows municipalities to create a program whereby a municipal resident who is at least 60 years old and has owned and primarily resided in a home in the municipality for 15 years could earn credit towards their property tax bill - up to \$1,000 - by "volunteering" to provide services to the municipality.

Volunteering is an invaluable service that individuals can provide for the benefit of their communities, and I applaud the many citizens in this State who selflessly give of themselves through volunteer activities. However, I am concerned that this bill links volunteerism to a tangible, financial benefit for certain homeowners, thereby defeating its underlying purpose. In short, this bill enables municipalities to compensate "volunteers" for providing services to their communities - which is really not volunteering at all, and in fact, would subject these "volunteers" to federal income taxation on any credit towards their property taxes that they receive.

I am also concerned that this the bill does not contain any oversight mechanism for the program, and there may be significant challenges in implementation due to the potential for mismanagement and abuse, including, for example, insufficient monitoring and tracking of service hours, differences among municipalities as to the types of services that would qualify under this program, and the potential for favoritism in the awarding of volunteer opportunities.

In light of these concerns, the State Treasurer and the Commissioner of Community Affairs should study the fiscal and practical implications of the type of program contemplated by this

bill. The study should make recommendations as to whether such a program can be successfully implemented, and, if so, the fairest and most cost-effective way to do so.

Accordingly, I herewith return Senate Bill No. 2524 (First Reprint) and recommend that it be amended as follows:

Page 2, Title, Line 2: Delete "and supplementing chapter 4 of Title 54 of the Revised" and insert "." after "residents"

Page 2, Title, Line 3: Delete in its entirety

Page 2, Section 1, Lines 8-9: Delete in their entirety and insert "1. The State Treasurer and the Commissioner of Community Affairs shall jointly undertake a study of a potential program pursuant to which residents of New Jersey could receive a modest reduction in property taxes in exchange for providing volunteer services to the municipality in which they reside. This study should address fiscal impacts, as well as the feasibility of fairly implementing such a program, and should consider, without limitation, the amount of any property tax credit, the type of services to be performed in exchange for the property tax credit, eligibility requirements for participation in the program, a mechanism for accurately and fairly monitoring and tracking hours and awarding credit, and the financial impact on municipalities adopting such a program and their residents who do not participate in the program. The study should include recommendations as to whether such a program can be successfully implemented, and, if so, the fairest and most cost-effective way to do so. The State Treasurer and the Commissioner of Community Affairs shall jointly report the results of their study to the Governor and the Legislature no later than twelve months from the effective date of this act."

Page 2, Section 2, Lines 11-25: Delete in their entirety

Page 2, Section 3, Lines 27-45: Delete in their entirety

Page 3, Section 3, Lines 1-15: Delete in their entirety
Page 3, Section 4, Lines 17-22: Delete in their entirety
Page 3, Section 5, Lines 24-38: Delete in their entirety
Page 3, Section 6, Lines 40-48: Delete in their entirety
Page 4, Section 6, Lines 1-2: Delete in their entirety
Page 4, Section 7, Line 4: Delete "7." and insert "2."
Page 4, Section 7, Line 4: Delete "on the first day of
the fourth month" and insert
"immediately."
Page 4, Section 7, Lines 5-6: Delete in their entirety

[seal]

Respectfully,

/s/ Chris Christie

Governor

Attest:

/s/ Thomas P. Scrivo

Chief Counsel to the Governor