

ASSEMBLY, No. 407

STATE OF NEW JERSEY

217th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2016 SESSION

Sponsored by:

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District 14 (Mercer and Middlesex)

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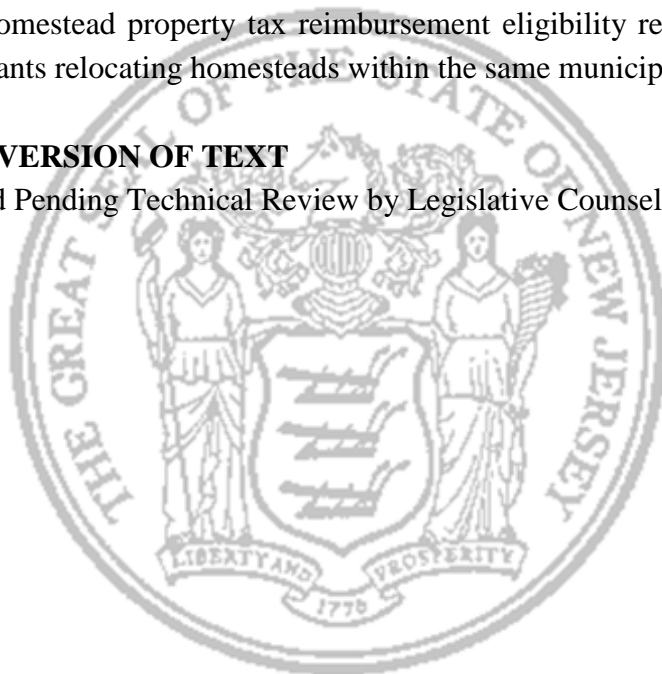
Assemblyman Coughlin

SYNOPSIS

Revises homestead property tax reimbursement eligibility requirements for certain claimants relocating homesteads within the same municipality.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 6/3/2016)

1 AN ACT concerning eligibility for homestead property tax
2 reimbursements, amending P.L.1997, c.348.

3

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

6

7 1. Section 1 of P.L.1997, c.348 (C.54:4-8.67) is amended to
8 read as follows:

9 1. As used in this act:

10 "Base year" means, in the case of a person who is an eligible
11 claimant on or before December 31, 1997, the tax year 1997; and in
12 the case of a person who first becomes an eligible claimant after
13 December 31, 1997, the tax year in which the person first becomes
14 an eligible claimant. In the case of an eligible claimant who
15 subsequently moves from the homestead for which the initial
16 eligibility was established, the base year shall be the first full tax
17 year during which the person resides in the new homestead.
18 Provided however, a base year for an eligible claimant after such a
19 move shall not apply to tax years commencing prior to January 1,
20 2009. In the case of an eligible claimant who subsequently moves
21 from the homestead for which the initial eligibility was established
22 to another homestead of equal or lesser value that is located within
23 the same municipality as the homestead for which the initial
24 eligibility was established and that is not new construction, the base
25 year shall be the tax year immediately preceding the first full tax
26 year during which the person resides in the new homestead.
27 Provided however, a base year for an eligible claimant after such a
28 move within the same municipality shall not apply to tax years
29 commencing prior to January 1, 2014.

30 "Commissioner" means the Commissioner of Community
31 Affairs.

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

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

36 "Cooperative" means a housing corporation or association which
37 entitles the holder of a share or membership interest thereof to
38 possess and occupy for dwelling purposes a house, apartment or
39 other unit of housing owned or leased by the corporation or
40 association, or to lease or purchase a unit of housing constructed or
41 to be constructed by the corporation or association.

42 "Disabled person" means an individual receiving monetary
43 payments pursuant to Title II of the federal Social Security Act (42
44 U.S.C. s.401 et seq.) on December 31, 1998, or on December 31 in
45 ll or any part of the year for which a homestead property tax

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.

1 reimbursement under this act is claimed.

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

7 "Eligible claimant" means a person who:

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

9 is an owner of a homestead, or the lessee of a site in a mobile
10 home park on which site the applicant owns a manufactured or
11 mobile home;

12 has an annual income of less than \$17,918 in tax year 1998, less
13 than \$18,151 in tax year 1999, or less than \$37,174 in tax year
14 2000, if single, or, if married, whose annual income combined with
15 that of the spouse is less than \$21,970 in tax year 1998, less than
16 \$22,256 in tax year 1999, or less than \$45,582 in tax year 2000,
17 which income eligibility limits for single and married persons shall
18 be subject to adjustments in tax years 2001 through 2006 pursuant
19 to section 9 of P.L.1997, c.348 (C.54:4-8.68);

20 has an annual income of \$60,000 or less in tax year 2007,
21 \$70,000 or less in tax year 2008, or \$80,000 or less in tax year
22 2009, if single or married, which income eligibility limits shall be
23 subject to adjustments in subsequent tax years pursuant to section 9
24 of P.L.1997, c.348 (C.54:4-8.68);

25 as a renter or homeowner, has made a long-term contribution to
26 the fabric, social structure and finances of one or more communities
27 in this State, as demonstrated through the payment of property taxes
28 directly, or through rent, on any homestead or rental unit used as a
29 principal residence in this State for at least 10 consecutive years at
30 least three of which as owner of the homestead for which a
31 homestead property tax reimbursement is sought prior to the date
32 that an initial application for a homestead property tax
33 reimbursement is filed. A person who has been an eligible claimant
34 for a previous tax year shall qualify as an eligible claimant
35 beginning the second full tax year following a move to another
36 homestead in New Jersey, despite not meeting the three-year
37 minimum residency and ownership requirement required for initial
38 claimants under this paragraph; provided that the person satisfies
39 the income eligibility limits for the tax year. Provided however,
40 eligibility beginning in a second full tax year after such a move
41 shall not apply to tax years commencing prior to January 1, 2010. A
42 person who has been an eligible claimant for a previous tax year
43 shall qualify as an eligible claimant beginning the first full tax year
44 following a move to another homestead of equal or lesser value that
45 is located within the same municipality as the homestead for which
46 the initial eligibility was established and that is not new
47 construction, despite not meeting the three-year minimum residency
48 and ownership requirement required for initial claimants under this

1 paragraph; provided that the person satisfies the income eligibility
2 limits for the tax year. Provided however, eligibility beginning in a
3 first full tax year after such a move within the same municipality
4 shall not apply to tax years commencing prior to January 1, 2015.

5 "Homestead" means:

6 a dwelling house and the land on which that dwelling house is
7 located which constitutes the place of the eligible claimant's
8 domicile and is owned and used by the eligible claimant as the
9 eligible claimant's principal residence;

10 a site in a mobile home park equipped for the installation of
11 manufactured or mobile homes, where these sites are under
12 common ownership and control for the purpose of leasing each site
13 to the owner of a manufactured or mobile home for the installation
14 thereof and such site is used by the eligible claimant as the eligible
15 claimant's principal residence;

16 a dwelling house situated on land owned by a person other than
17 the eligible claimant which constitutes the place of the eligible
18 claimant's domicile and is owned and used by the eligible claimant
19 as the eligible claimant's principal residence;

20 a condominium unit or a unit in a horizontal property regime or a
21 continuing care retirement community which constitutes the place
22 of the eligible claimant's domicile and is owned and used by the
23 eligible claimant as the eligible claimant's principal residence.

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

35 a unit in a cooperative or mutual housing corporation which
36 constitutes the place of domicile of a residential shareholder or
37 lessee therein, or of a lessee or shareholder who is not a residential
38 shareholder therein, which is used by the eligible claimant as the
39 eligible claimant's principal residence.

40 "Homestead property tax reimbursement" means payment of the
41 difference between the amount of property tax or site fee
42 constituting property tax due and paid in any year on any
43 homestead, exclusive of improvements not included in the
44 assessment on the real property for the base year, and the amount of
45 property tax or site fee constituting property tax due and paid in the
46 base year, when the amount paid in the base year is the lower
47 amount; but such calculations shall be reduced by any current year
48 property tax reductions or reductions in site fees constituting

1 property taxes resulting from judgments entered by county boards
2 of taxation or the State Tax Court.

3 "Horizontal property regime" means the form of real property
4 ownership provided for under the "Horizontal Property Act,"
5 P.L.1963, c.168 (C.46:8A-1 et seq.).

6 "Manufactured home" or "mobile home" means a unit of housing
7 which:

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

11 (2) Is built on a permanent chassis;

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

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

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

31 (1) The construction and maintenance of streets;

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

33 (3) Garbage removal;

34 (4) Snow removal; and

35 (5) Provisions for the drainage of surface water from home sites
36 and common areas.

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

43 "Income" means income as determined pursuant to P.L.1975,
44 c.194 (C.30:4D-20 et seq.).

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

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

3 "Property tax" means the general property tax due and paid as set
4 forth in this section, on a homestead, but does not include special
5 assessments and interest and penalties for delinquent taxes. For the
6 sole purpose of qualifying for a benefit under P.L.1997, c.348
7 (C.54:4-8.67 et seq.), property taxes paid by June 1 of the year
8 following the year for which the benefit is claimed will be deemed
9 to be timely paid.

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

12 "Tax year" means the calendar year in which a homestead is
13 assessed and the property tax is levied thereon and it means the
14 calendar year in which income is received or accrued.

15 (cf: P.L.2012, c.17, s.431)

16
17 2. This act shall take effect immediately.
18
19

20 STATEMENT

21
22 This bill revises homestead property tax reimbursement
23 eligibility requirements for certain claimants who relocate their
24 existing homestead to another homestead within the same
25 municipality after initially qualifying for the benefit.

26 Under current law, an eligible claimant must have paid property
27 taxes directly, or through rent, on any homestead or rental unit used
28 as a principal residence in this State for at least 10 consecutive
29 years, at least three of those as owner of the property for which a
30 homestead property tax reimbursement is sought, prior to the date
31 that an application for a homestead property tax reimbursement is
32 filed. The law allows an eligible claimant who moves to another
33 New Jersey homestead after initially qualifying to resume eligibility
34 to receive a reimbursement in connection with the new home, but
35 only beginning the second full tax year after the move.

36 This bill shortens the time that must elapse between a move and
37 the resumption of benefits for eligible claimants who relocate
38 within the same municipality. The bill provides that, after initially
39 qualifying, an eligible claimant who moves from one homestead to
40 another homestead of equal or lesser value that is located within the
41 same municipality as the homestead for which the initial eligibility
42 was established and that is not new construction will be allowed to
43 resume eligibility to receive a homestead property tax
44 reimbursement for the first full tax year following the eligible
45 claimant's move.

46 The bill makes similar modifications to the base year on which
47 property tax reimbursements are based. The bill provides that for
48 eligible claimants who move from one homestead to another

1 homestead of equal or lesser value that is located within the same
2 municipality as the homestead for which the initial eligibility was
3 established and that is not new construction, the base year on which
4 reimbursements will be based will be the tax year immediately
5 preceding the first full tax year during which the claimant resides in
6 the new homestead.

7 Under the bill, the new base year can be no earlier than tax year
8 2014 and the first claim for which a person making a move within
9 the same municipality can reestablish eligibility to receive, and file
10 a claim for, a homestead property tax reimbursement is tax year
11 2015. Accordingly, the first payments to claimants who have
12 reestablished their eligibility will be made in fiscal year 2016.

13 The bill takes effect immediately upon enactment.