

ASSEMBLY, No. 464

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

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SYNOPSIS

"Homestead School Property Tax Reimbursement Act"; provides State reimbursement for 50% of school property taxes paid by seniors, 65 years and older.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning school property tax reductions for senior
2 citizens and supplementing chapter 4 of Title 54 of the Revised
3 Statutes.

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

7
8 1. This act shall be entitled and may be referred to as the
9 "Homestead School Property Tax Reimbursement Act."

10
11 2. For the purposes of P.L. , c. (C.) (pending
12 before the Legislature as this bill):

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

16 "Cooperative" means a housing corporation or association which
17 entitles the holder of a share or membership interest thereof to
18 possess and occupy for dwelling purposes a house, apartment or
19 other unit of housing owned or leased by the corporation or
20 association, or to lease or purchase a unit of housing constructed or
21 to be constructed by the corporation or association.

22 "Director" means the Director of the Division of Taxation in the
23 Department of the Treasury.

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

29 "Eligible claimant" means a person who:

30 is 65 or more years of age;

31 is an owner of a homestead, or the lessee of a site in a mobile
32 home park on which site the applicant owns a manufactured or
33 mobile home; and

34 has an annual income equal to or less than \$35,000 in the first
35 tax year in which P.L. , c. (C.) (pending before the
36 Legislature as this bill) becomes effective, \$75,000 in the next
37 succeeding tax year, and any amount of income in the third and
38 following tax years.

39 "Homestead" means:

40 a dwelling house and the land on which that dwelling house is
41 located which constitutes the place of the eligible claimant's
42 domicile and is owned and used by the eligible claimant as the
43 eligible claimant's principal residence;

44 a site in a mobile home park equipped for the installation of
45 manufactured or mobile homes, where these sites are under
46 common ownership and control for the purpose of leasing each site
47 to the owner of a manufactured or mobile home for the installation
48 there of and such site is used by the eligible claimant as the eligible

1 claimant's principal residence;
2 a dwelling house situated on land owned by a person other than
3 the eligible claimant which constitutes the place of the eligible
4 claimant's domicile and is owned and used by the eligible claimant
5 as the eligible claimant's principal residence;
6 a condominium unit or a unit in a horizontal property regime or a
7 continuing care retirement community which constitutes the place
8 of the eligible claimant's domicile and is owned and used by the
9 eligible claimant as the eligible claimant's principal residence; and
10 a unit in a cooperative or mutual housing corporation which
11 constitutes the place of domicile of a residential shareholder or
12 lessee therein, or of a lessee or shareholder who is not a residential
13 shareholder therein, which is used by the eligible claimant as the
14 eligible claimant's principal residence.

15 In addition to the generally accepted meaning of "owned" or
16 "ownership," a homestead shall be deemed to be owned by a person
17 if that person is a tenant for life or a tenant under a lease for 99
18 years or more, is entitled to and actually takes possession of the
19 homestead under an executory contract for the sale thereof or under
20 an agreement with a lending institution which holds title as security
21 for a loan, or is a resident of a continuing care retirement
22 community pursuant to a contract for continuing care for the life of
23 that person which requires the resident to bear, separately from any
24 other charges, the proportionate share of school property taxes
25 attributable to the unit that the resident occupies.

26 "Homestead school property tax reimbursement" means a
27 payment equal to one-half of the amount of the school portion of
28 the property tax or site fee constituting the school portion of the
29 property tax due and paid in any year on any homestead; but such
30 calculations shall be reduced by any current year property tax
31 reductions attributable to the school portion of the property tax or
32 reductions in site fees constituting the school portion of property
33 taxes resulting from judgments entered by county boards of taxation
34 or the State Tax Court.

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

38 "Manufactured home" or "mobile home" means a unit of housing
39 which:
40 Consists of one or more transportable sections which are
41 substantially constructed off site and, if more than one section, are
42 joined together on site;
43 Is built on a permanent chassis;
44 Is designed to be used, when connected to utilities, as a dwelling
45 on a permanent or nonpermanent foundation; and
46 Is manufactured in accordance with the standards promulgated
47 for a manufactured home by the Secretary of the United States
48 Department of Housing and Urban Development pursuant to the

1 "National Manufactured Housing Construction and Safety
2 Standards Act of 1974," Pub.L.93-383 (42 U.S.C. s.5401 et seq.)
3 and the standards promulgated for a manufactured or mobile home
4 by the commissioner pursuant to the "State Uniform Construction
5 Code Act," P.L.1975, c.217 (C.52:27D-119 et seq.).

6 "Mobile home park" means a parcel of land, or two or more
7 parcels of land, containing no fewer than 10 sites equipped for the
8 installation of manufactured or mobile homes, where these sites are
9 under common ownership and control for the purpose of leasing
10 each site to the owner of a manufactured or mobile home for the
11 installation thereof, and where the owner or owners provide
12 services, which are provided by the municipality in which the park
13 is located for property owners outside the park, which services may
14 include but shall not be limited to:

15 The construction and maintenance of streets;

16 Lighting of streets and other common areas;

17 Garbage removal;

18 Snow removal; and

19 Provisions for the drainage of surface water from home sites and
20 common areas.

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

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

29 "Principal residence" means a homestead actually and
30 continually occupied by an eligible claimant as his or her permanent
31 residence, as distinguished from a vacation home, property owned
32 and rented or offered for rent by the claimant, and other secondary
33 real property holdings.

34 "School portion of the property tax" means the school portion of
35 the general property tax due and paid, on a homestead, but does not
36 include interest and penalties for delinquent taxes.

37 "Site fee constituting the school portion of the property tax"
38 means the ratio of the school portion of the general property tax to
39 the total general property tax payable by the owner of a mobile
40 home park multiplied by 18 percent of the annual site fee paid or
41 payable to the owner of a mobile home park.

42 "Tax year" means the calendar year in which a homestead is
43 assessed and the property tax is levied thereon and the calendar year
44 in which income is received or accrued.

45
46 3. Every eligible claimant shall be entitled to a homestead
47 school property tax reimbursement for the tax year, on proper claim
48 being made therefor to the director. The amount of the homestead

1 school property tax reimbursement shall not be reduced by the
2 amount of the deductions taken by the eligible claimant pursuant to
3 P.L.1963, c.171 (C.54:4-8.10 to 54:4-8.23) and P.L.1964, c.255
4 (C.54:4-8.40 to 54:4-8.45 et al.). The surviving spouse of a
5 deceased resident of this State who during his or her life received a
6 homestead school property tax reimbursement pursuant to P.L. ,
7 c. (C.) (pending before the Legislature as this bill) shall be
8 entitled, so long as he or she remains a resident in the same
9 homestead with respect to which the homestead school property tax
10 reimbursement was granted, and so long as he or she is at least 55
11 years of age, to a homestead school property tax reimbursement,
12 upon the same conditions, with respect to the same homestead.

13

14 4. An application for a homestead school property tax
15 reimbursement hereunder shall be filed with the director on or
16 before December 31 annually and shall reflect the prerequisites for
17 a homestead school property tax reimbursement on December 31 of
18 the year of filing; provided, however, that the director may, by rule,
19 waive the requirement for filing an annual application for any year
20 or years subject to any limitations and conditions the director may
21 deem appropriate. The application shall be on a form prescribed by
22 the director and provided for the use of applicants hereunder. Each
23 applicant making a claim for a homestead school property tax
24 reimbursement under P.L. , c. (C.) (pending before the
25 Legislature as this bill) shall provide to the director, if required by
26 the director, a copy of his or her current year property tax bill or
27 current year site fee bill on the homestead constituting that person's
28 principal residence.

29 It shall be the duty of every eligible claimant to inform the
30 director of any change in his or her status or homestead which may
31 affect his or her right to continuance of the homestead school
32 property tax reimbursement.

33 If an eligible claimant receives an additional homestead school
34 property tax reimbursement to which the claimant was not entitled
35 or greater than the reimbursement to which the claimant was
36 entitled, the director may, in addition to all other available legal
37 remedies, offset such amount against a gross income tax refund or
38 amount due pursuant to P.L.1990, c.61 (C.54:4-8.57 et al.), or
39 P.L. , c. (C.) (pending before the Legislature as this bill).

40

41 5. The director shall administer the homestead school property
42 tax reimbursement program. A payment for the homestead school
43 property tax reimbursement amount, as calculated by the director,
44 shall be mailed to each person determined by the director to be an
45 eligible claimant under P.L. , c. (C.) (pending before the
46 Legislature as this bill) on or before July 15 of the year next
47 following the tax year. All payments made pursuant to this section
48 shall be appropriated from receipts in the Casino Revenue Fund.

1 6. When title to a homestead as to which a homestead school
2 property tax reimbursement is claimed is held by an eligible
3 claimant and another or others, either as tenants in common or as
4 joint tenants, the eligible claimant shall not be allowed a homestead
5 school property tax reimbursement in an amount in excess of his or
6 her proportionate share of the taxes assessed against the homestead,
7 which proportionate share, for the purposes of P.L. ,
8 c. (C.) (pending before the Legislature as this bill), shall
9 be deemed to be equal to that of each of the other tenants, unless it
10 is shown that the interests in question are not equal, in which event
11 the eligible claimant's proportionate share shall be as shown.
12 Nothing herein shall preclude more than one tenant, whether title be
13 held in common or joint tenancy, from claiming a homestead school
14 property tax reimbursement from the taxes assessed against the
15 property so held, but no more than the equivalent of one full
16 homestead school property tax reimbursement in regard to such
17 homestead shall be allowed in any year. In any case in which the
18 eligible claimants cannot agree as to the apportionment thereof,
19 such homestead school property tax reimbursement shall be
20 apportioned between or among them in proportion to their interest.
21 Property held by husband and wife, as tenants by the entirety, shall
22 be deemed wholly owned by each tenant, but no more than one full
23 homestead school property tax reimbursement in regard to such
24 homestead shall be allowed in any year. Right to claim a
25 homestead school property tax reimbursement hereunder shall
26 extend to a homestead the title to which is held by a partnership, to
27 the extent of the eligible claimant's interest as a partner therein, and
28 by a guardian, trustee, committee, conservator or other fiduciary for
29 any person who would otherwise be entitled to claim such
30 homestead school property tax reimbursement hereunder, but not to
31 a homestead the title to which is held by a corporation; except that a
32 residential shareholder in a cooperative or mutual housing
33 corporation shall be entitled to claim a homestead school property
34 tax reimbursement if he or she is otherwise eligible to receive it, to
35 the extent of the proportionate share of the taxes assessed against
36 the homestead of the corporation, or any other entity holding title,
37 attributable to his or her unit therein. No eligible claimant shall be
38 entitled to payment under P.L. , c. (C.) (pending before
39 the Legislature as this bill) for a homestead school property tax
40 reimbursement on more than one homestead within the State in the
41 same tax year.

42
43 7. Any person violating any provisions of P.L. ,
44 c. (C.) (pending before the Legislature as this bill) shall
45 be subject to the applicable civil and criminal penalties under New
46 Jersey law. Any person who violates any provisions of P.L. ,
47 c. (C.) (pending before the Legislature as this bill) shall be

1 subject to a suspension of eligibility for one year for a first offense
2 and permanent revocation of eligibility for a second offense.

3
4 8. Pursuant to the "Administrative Procedure Act," P.L.1968,
5 c.410 (C.52:14B-1 et seq.), the director shall promulgate such rules
6 and regulations and prescribe such forms as the director shall deem
7 necessary to implement P.L. , c. (C.) (pending before the
8 Legislature as this bill). The director shall also promulgate rules
9 and regulations to implement an appeals process for aggrieved
10 persons to use if eligibility for a homestead school property tax
11 reimbursement rebate is denied.

12
13 9. Section 7 of this act shall take effect immediately and the
14 other sections shall remain inoperative until January 1 of the tax
15 year next following enactment.

16
17
18 STATEMENT

19
20 This bill, entitled the "Homestead School Property Tax
21 Reimbursement Act," would reduce the school property tax burden
22 on senior residents of the State who are 65 years or older by 50%.
23 The bill provides a reimbursement for property taxes paid to
24 eligible claimants from the Casino Revenue Fund. The bill phases
25 in eligibility over a three-year period through income limits. For
26 the first year, only seniors with incomes of \$35,000 or less would
27 be eligible for the reimbursement. The income limit rises to
28 \$75,000 for the second year and there is no income limit for the
29 third year and thereafter. A surviving spouse who is at least 55
30 years of age also would qualify for the reimbursement. The
31 Director of the Division of Taxation in the Department of the
32 Treasury would be responsible for promulgating application forms
33 for the reimbursement and issuing rules and regulations.