

**ASSEMBLY, No. 467**

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**STATE OF NEW JERSEY**

**219th LEGISLATURE**

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PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

**Sponsored by:**

**Assemblyman JOHN CATALANO**

**District 10 (Ocean)**

**Assemblyman GREGORY P. MCGUCKIN**

**District 10 (Ocean)**

**Assemblyman SEAN T. KEAN**

**District 30 (Monmouth and Ocean)**

**Co-Sponsored by:**

**Assemblywoman Gove and Assemblyman Rumpf**

**SYNOPSIS**

Increases income eligibility limit for homestead property tax reimbursement program.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



**(Sponsorship Updated As Of: 11/8/2021)**

1   **AN ACT** increasing income qualification limits for the homestead  
2       property tax reimbursement program, 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.

21       "Commissioner" means the Commissioner of Community  
22 Affairs.

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

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

27       "Cooperative" means a housing corporation or association which  
28 entitles the holder of a share or membership interest thereof to  
29 possess and occupy for dwelling purposes a house, apartment or  
30 other unit of housing owned or leased by the corporation or  
31 association, or to lease or purchase a unit of housing constructed or  
32 to be constructed by the corporation or association.

33       "Disabled person" means an individual receiving monetary  
34 payments pursuant to Title II of the federal Social Security Act (42  
35 U.S.C. s.401 et seq.) on December 31, 1998, or on December 31 in  
36 all or any part of the year for which a homestead property tax  
37 reimbursement under this act is claimed.

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

43       "Eligible claimant" means a person who:

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

45       is an owner of a homestead, or the lessee of a site in a mobile

**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 home park on which site the applicant owns a manufactured or  
2 mobile home;

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

11 has an annual income of \$60,000 or less in tax year 2007,  
12 \$70,000 or less in tax **【year】** years 2008 through 2015, **【or】**  
13 **\$80,000 or less in tax year 【2009】** 2016, or \$160,000 or less in tax  
14 year 2017, if single or married, which income eligibility limits shall  
15 be subject to adjustments in subsequent tax years pursuant to  
16 section 9 of P.L.1997, c.348 (C.54:4-8.68);

17 as a renter or homeowner, has made a long-term contribution to  
18 the fabric, social structure and finances of one or more communities  
19 in this State, as demonstrated through the payment of property taxes  
20 directly, or through rent, on any homestead or rental unit used as a  
21 principal residence in this State for at least 10 consecutive years at  
22 least three of which as owner of the homestead for which a  
23 homestead property tax reimbursement is sought prior to the date  
24 that an initial application for a homestead property tax  
25 reimbursement is filed. A person who has been an eligible claimant  
26 for a previous tax year shall qualify as an eligible claimant  
27 beginning the second full tax year following a move to another  
28 homestead in New Jersey, despite not meeting the three-year  
29 minimum residency and ownership requirement required for initial  
30 claimants under this paragraph; provided that the person satisfies  
31 the income eligibility limits for the tax year. Provided however,  
32 eligibility beginning in a second full tax year after such a move  
33 shall not apply to tax years commencing prior to January 1, 2010.

34 "Homestead" means:

35 a dwelling house and the land on which that dwelling house is  
36 located which constitutes the place of the eligible claimant's  
37 domicile and is owned and used by the eligible claimant as the  
38 eligible claimant's principal residence;

39 a site in a mobile home park equipped for the installation of  
40 manufactured or mobile homes, where these sites are under  
41 common ownership and control for the purpose of leasing each site  
42 to the owner of a manufactured or mobile home for the installation  
43 thereof and such site is used by the eligible claimant as the eligible  
44 claimant's principal residence;

45 a dwelling house situated on land owned by a person other than  
46 the eligible claimant which constitutes the place of the eligible  
47 claimant's domicile and is owned and used by the eligible claimant  
48 as the eligible claimant's principal residence;

1 a condominium unit or a unit in a horizontal property regime or a  
2 continuing care retirement community which constitutes the place  
3 of the eligible claimant's domicile and is owned and used by the  
4 eligible claimant as the eligible claimant's principal residence.

5 In addition to the generally accepted meaning of "owned" or  
6 "ownership," a homestead shall be deemed to be owned by a person  
7 if that person is a tenant for life or a tenant under a lease for 99  
8 years or more, is entitled to and actually takes possession of the  
9 homestead under an executory contract for the sale thereof or under  
10 an agreement with a lending institution which holds title as security  
11 for a loan, or is a resident of a continuing care retirement  
12 community pursuant to a contract for continuing care for the life of  
13 that person which requires the resident to bear, separately from any  
14 other charges, the proportionate share of property taxes attributable  
15 to the unit that the resident occupies;

16 a unit in a cooperative or mutual housing corporation which  
17 constitutes the place of domicile of a residential shareholder or  
18 lessee therein, or of a lessee or shareholder who is not a residential  
19 shareholder therein, which is used by the eligible claimant as the  
20 eligible claimant's principal residence.

21 "Homestead property tax reimbursement" means payment of the  
22 difference between the amount of property tax or site fee  
23 constituting property tax due and paid in any year on any  
24 homestead, exclusive of improvements not included in the  
25 assessment on the real property for the base year, and the amount of  
26 property tax or site fee constituting property tax due and paid in the  
27 base year, when the amount paid in the base year is the lower  
28 amount; but such calculations shall be reduced by any current year  
29 property tax reductions or reductions in site fees constituting  
30 property taxes resulting from judgments entered by county boards  
31 of taxation or the State Tax Court.

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

35 "Manufactured home" or "mobile home" means a unit of housing  
36 which:

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

40 (2) Is built on a permanent chassis;

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

43 (4) Is manufactured in accordance with the standards  
44 promulgated for a manufactured home by the Secretary of the  
45 United States Department of Housing and Urban Development  
46 pursuant to the "National Manufactured Housing Construction and  
47 Safety Standards Act of 1974," Pub.L.93-383 (42 U.S.C. s.5401 et  
48 seq.) and the standards promulgated for a manufactured or mobile

1 home by the commissioner pursuant to the "State Uniform  
2 Construction Code Act," P.L.1975, c.217 (C.52:27D-119 et seq.).

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

12 (1) The construction and maintenance of streets;

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

14 (3) Garbage removal;

15 (4) Snow removal; and

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

18 "Mutual housing corporation" means a corporation not-for-profit,  
19 incorporated under the laws of this State on a mutual or cooperative  
20 basis within the scope of section 607 of the **【Langham】** Lanham  
21 Act (National Defense Housing), Pub.L.76-849, (42 U.S.C. s.1521  
22 et seq.), as amended, which acquired a National Defense Housing  
23 Project pursuant to that act.

24 "Income" means income as determined pursuant to P.L.1975,  
25 c.194 (C.130:4D-20 et seq.).

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

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

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

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

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

44  
45 2. This act shall take effect immediately.

## STATEMENT

This bill would double the income eligibility limits for the homestead property tax reimbursement program, also commonly known as the senior and disabled citizens' property tax freeze program, beginning in tax year 2017.

The homestead property tax reimbursement program provides certain senior and disabled homeowners a reimbursement of any annual increase in property taxes above the amount of the tax liability for the year in which the homeowner became eligible for the program. The program applies to anyone who

- is 65 or more years of age, or who is a disabled person;
- is an owner of a homestead or leases a site in a mobile home park on which site the person owns a manufactured or mobile home;
- has an annual income below the amount specified in the law governing the program; and
- has paid property taxes directly, or through rent, on any homestead or rental unit used as a principal residence in this State for at least 10 consecutive years, at least three of which were as owner of the homestead for which a reimbursement is first sought, or after moving to another homestead in New Jersey, in the full second tax year after moving.

Under the bill, the income eligibility limits for the program will increase to \$160,000 from \$80,000 in tax year 2017 for single claimants and for married couples. This increase in the income limits will allow additional citizens to benefit from the program, which effectively holds qualified participants harmless from property tax increases on their homestead after establishing their "base year" liability for the tax.