

ASSEMBLY, No. 1382

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman JAMEL C. HOLLEY

District 20 (Union)

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District 31 (Hudson)

SYNOPSIS

Establishes additional homestead property tax reimbursement based on school portion of property tax bills for certain seniors.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 3/15/2021)

1 AN ACT establishing an additional homestead property tax
2 reimbursement for certain seniors and 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 read
8 as follows:

9 1. As used in **[this act]** P.L.1997, c.348 (C.54:4-8.67 et seq.):

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

34 "Disabled person" means an individual receiving monetary
35 payments pursuant to Title II of the federal Social Security Act (42
36 U.S.C. s.401 et seq.) on December 31, 1998, or on December 31 in
37 all or any part of the year for which a homestead property tax
38 reimbursement under **[this act]** P.L.1997, c.348 (C.54:4-8.67 et
39 seq.) is claimed.

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

45 "Eligible claimant" means a person who:

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 is 65 or more years of age, or who is a disabled person;
2 is an owner of a homestead, or the lessee of a site in a mobile
3 home park on which site the applicant owns a manufactured or
4 mobile home;
5 has an annual income of less than \$17,918 in tax year 1998, less
6 than \$18,151 in tax year 1999, or less than \$37,174 in tax year
7 2000, if single, or, if married, whose annual income combined with
8 that of the spouse is less than \$21,970 in tax year 1998, less than
9 \$22,256 in tax year 1999, or less than \$45,582 in tax year 2000,
10 which income eligibility limits for single and married persons shall
11 be subject to adjustments in tax years 2001 through 2006 pursuant
12 to section 9 of P.L.1997, c.348 (C.54:4-8.68);
13 has an annual income of \$60,000 or less in tax year 2007,
14 \$70,000 or less in tax year 2008, or \$80,000 or less in tax year
15 2009, if single or married, which income eligibility limits shall be
16 subject to adjustments in subsequent tax years pursuant to section 9
17 of P.L.1997, c.348 (C.54:4-8.68), provided that these income
18 eligibility requirements shall not apply to an eligible claimant
19 seeking a homestead property tax reimbursement under paragraph
20 (2) of the definition of "homestead property tax reimbursement" in
21 this section;
22 as a renter or homeowner, has made a long-term contribution to
23 the fabric, social structure and finances of one or more communities
24 in this State, as demonstrated through the payment of property taxes
25 directly, or through rent, on any homestead or rental unit used as a
26 principal residence in this State for at least 10 consecutive years at
27 least three of which as owner of the homestead for which a
28 homestead property tax reimbursement is sought prior to the date
29 that an initial application for a homestead property tax
30 reimbursement is filed. A person who has been an eligible claimant
31 for a previous tax year shall qualify as an eligible claimant
32 beginning the second full tax year following a move to another
33 homestead in New Jersey, despite not meeting the three-year
34 minimum residency and ownership requirement required for initial
35 claimants under this paragraph; provided that the person satisfies
36 the income eligibility limits for the tax year. Provided however,
37 eligibility beginning in a second full tax year after such a move
38 shall not apply to tax years commencing prior to January 1, 2010.
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

1 thereof and such site is used by the eligible claimant as the eligible
2 claimant's principal residence;

3 a dwelling house situated on land owned by a person other than
4 the eligible claimant which constitutes the place of the eligible
5 claimant's domicile and is owned and used by the eligible claimant
6 as the eligible claimant's principal residence;

7 a condominium unit or a unit in a horizontal property regime or a
8 continuing care retirement community which constitutes the place
9 of the eligible claimant's domicile and is owned and used by the
10 eligible claimant as the eligible claimant's principal residence.

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

22 a unit in a cooperative or mutual housing corporation which
23 constitutes the place of domicile of a residential shareholder or
24 lessee therein, or of a lessee or shareholder who is not a residential
25 shareholder therein, which is used by the eligible claimant as the
26 eligible claimant's principal residence.

27 "Homestead property tax reimbursement" means payment of the
28 following:

29 (1) the difference between the amount of property tax or site fee
30 constituting property tax due and paid in any year on any
31 homestead, exclusive of improvements not included in the
32 assessment on the real property for the base year, and the amount of
33 property tax or site fee constituting property tax due and paid in the
34 base year, when the amount paid in the base year is the lower
35 amount; but such calculations shall be reduced by any current year
36 property tax reductions or reductions in site fees constituting
37 property taxes resulting from judgments entered by county boards
38 of taxation or the State Tax Court; or

39 (2) if the eligible claimant has owned the homestead in the State
40 and used it as a principal residence for at least 15 consecutive years,
41 regardless of the income of the claimant, an amount equal to the
42 portion of property taxes owed on the real property for school
43 district purposes according to the following schedule:

44 (a) for an eligible claimant who is 65 or more years of age, but
45 less than 70 years of age, 25 percent of the property taxes owed for
46 school district purposes;

1 (b) for an eligible claimant who is 70 or more years of age, but
2 less than 75 years of age, 30 percent of the property taxes owed for
3 school district purposes;

4 (c) for an eligible claimant who is 75 or more years of age, but
5 less than 80 years of age, 35 percent of the property taxes owed for
6 school district purposes;

7 (d) for an eligible claimant who is 80 or more years of age, but
8 less than 85 years of age, 40 percent of the property taxes owed for
9 school district purposes;

10 (e) for an eligible claimant who is 85 or more years of age, but
11 less than 90 years of age, 45 percent of the property taxes owed for
12 school district purposes;

13 (f) for an eligible claimant who is 90 or more years of age, but
14 less than 95 years of age, 50 percent of the property taxes owed for
15 school district purposes;

16 (g) for an eligible claimant who is 95 or more years of age, but
17 less than 100 years of age, 55 percent of the property taxes owed for
18 school district purposes;

19 (h) for an eligible claimant who is 100 or more years of age, 100
20 percent of the property taxes owed for school district purposes.

21 An eligible claimant may receive payments pursuant to
22 paragraphs (1) and (2) of this definition if the claimant qualifies for
23 both.

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

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

29 "Manufactured home" or "mobile home" means a unit of housing
30 which:

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

34 (2) Is built on a permanent chassis;

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

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

45 "Mobile home park" means a parcel of land, or two or more
46 parcels of land, containing no fewer than 10 sites equipped for the
47 installation of manufactured or mobile homes, where these sites are
48 under common ownership and control for the purpose of leasing

1 each site to the owner of a manufactured or mobile home for the
2 installation thereof, and where the owner or owners provide
3 services, which are provided by the municipality in which the park
4 is located for property owners outside the park, which services may
5 include but shall not be limited to:

- 6 (1) The construction and maintenance of streets;
- 7 (2) Lighting of streets and other common areas;
- 8 (3) Garbage removal;
- 9 (4) Snow removal; and
- 10 (5) Provisions for the drainage of surface water from home sites
11 and common areas.

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

18 **["Income" means income as determined pursuant to P.L.1975,**
19 **c.194 (C.30:4D-20 et seq.).]**

20 "Principal residence" means a homestead actually and
21 continually occupied by an eligible claimant as his or her permanent
22 residence, as distinguished from a vacation home, property owned
23 and rented or offered for rent by the claimant, and other secondary
24 real property holdings.

25 "Property tax" means the general property tax due and paid as set
26 forth in this section, and shall include the amount of property tax
27 credit as defined in section 1 of P.L.2018, c.11 (C.54:4-66.6), on a
28 homestead, but does not include special assessments and interest
29 and penalties for delinquent taxes. For the sole purpose of
30 qualifying for a benefit under P.L.1997, c.348 (C.54:4-8.67 et seq.),
31 property taxes paid by June 1 of the year following the year for
32 which the benefit is claimed will be deemed to be timely paid.

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

35 "Tax year" means the calendar year in which a homestead is
36 assessed and the property tax is levied thereon and it means the
37 calendar year in which income is received or accrued.
38 (cf: P.L.2018, c.11, s.11)

39

40 2. This act shall take effect on the first day of the tax year next
41 following enactment, except the director may take any anticipatory
42 administrative action in advance as shall be necessary for the
43 implementation of this act.

44

45 STATEMENT

46

47 This bill would create a new, additional homestead property tax
48 reimbursement benefit based on the school portion of a senior

1 homeowner's property taxes. Under the bill, a senior who has
2 owned a homestead in the State and used it as a principal residence
3 for at least 15 consecutive years would be eligible, regardless of
4 income, to receive a reimbursement for a percentage of the property
5 taxes paid for school district purposes. An eligible senior meeting
6 the residency requirement may receive this benefit if they do not
7 qualify for the current homestead property tax reimbursement, and
8 may receive it in addition to the current homestead property tax
9 reimbursement if they qualify for both. This bill would enable
10 some seniors to newly receive homestead property tax
11 reimbursement benefits, and enable some others to receive
12 enhanced benefits.

13 The amount an eligible senior could receive under the new
14 benefit created by this bill would be based on the following
15 schedule:

16 (1) an eligible senior who is 65 or more years of age, but less
17 than 70 years of age, would be entitled to a reimbursement equal to
18 25 percent of the property taxes owed for school district purposes;

19 (2) an eligible senior who is 70 or more years of age, but less
20 than 75 years of age, would be entitled to a reimbursement equal to
21 30 percent of the property taxes owed for school district purposes;

22 (3) an eligible senior who is 75 or more years of age, but less
23 than 80 years of age, would be entitled to a reimbursement equal to
24 35 percent of the property taxes owed for school district purposes;

25 (4) an eligible senior who is 80 or more years of age, but less
26 than 85 years of age, would be entitled to a reimbursement equal to
27 40 percent of the property taxes owed for school district purposes;

28 (5) an eligible senior who is 85 or more years of age, but less
29 than 90 years of age, would be entitled to a reimbursement equal to
30 45 percent of the property taxes owed for school district purposes;

31 (6) an eligible claimant who is 90 or more years of age, but less
32 than 95 years of age, would be entitled to a reimbursement equal to
33 50 percent of the property taxes owed for school district purposes;

34 (7) an eligible senior who is 95 or more years of age, but less
35 than 100 years of age, would be entitled to a reimbursement equal
36 to 55 percent of the property taxes owed for school district
37 purposes;

38 (8) an eligible senior who is 100 or more years of age would be
39 entitled to a reimbursement equal to 100 percent of the property
40 taxes owed for school district purposes.