

SENATE, No. 125

STATE OF NEW JERSEY
219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Senator JAMES W. HOLZAPFEL

District 10 (Ocean)

SYNOPSIS

Increases annual income limit for eligibility to receive homestead property tax reimbursement.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning the eligibility requirements to receive a
2 homestead property tax reimbursement and amending P.L.1997,
3 c.348.

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

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

10 1. As used in this act:

11 "Base year" means, in the case of a person who is an eligible
12 claimant on or before December 31, 1997, the tax year 1997; and in
13 the case of a person who first becomes an eligible claimant after
14 December 31, 1997, the tax year in which the person first becomes
15 an eligible claimant. In the case of an eligible claimant who
16 subsequently moves from the homestead for which the initial
17 eligibility was established, the base year shall be the first full tax
18 year during which the person resides in the new homestead.
19 Provided however, a base year for an eligible claimant after such a
20 move shall not apply to tax years commencing prior to January 1,
21 2009.

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

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

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

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

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 is claimed.

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

44 "Eligible claimant" means a person who:

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

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 an owner of a homestead, or the lessee of a site in a mobile
2 home park on which site the applicant owns a manufactured or
3 mobile home;

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

12 has an annual income of \$60,000 or less in tax year 2007,
13 \$70,000 or less in tax year 2008, **【or】** \$80,000 or less in tax **【year】**
14 years 2009 through 2016, and \$100,000 or less in tax year 2017 and
15 in each tax year thereafter, if single or married, which income
16 eligibility limits shall be subject to adjustments in subsequent tax
17 years pursuant to section 9 of P.L.1997, c.348 (C.54:4-8.68);

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

35 "Homestead" means:

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

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

46 a dwelling house situated on land owned by a person other than
47 the eligible claimant which constitutes the place of the eligible

1 claimant's domicile and is owned and used by the eligible claimant
2 as the eligible claimant's principal residence;

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

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

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

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

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

37 "Manufactured home" or "mobile home" means a unit of housing
38 which:

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

42 (2) Is built on a permanent chassis;

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

45 (4) Is manufactured in accordance with the standards
46 promulgated for a manufactured home by the Secretary of the
47 United States Department of Housing and Urban Development
48 pursuant to the "National Manufactured Housing Construction and

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

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

14 (1) The construction and maintenance of streets;

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

16 (3) Garbage removal;

17 (4) Snow removal; and

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

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

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

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

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

40 "Site fee constituting property tax" means 18 percent of the
41 annual site fee paid or 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 it means the
44 calendar year in which income is received or accrued.

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

46
47 2. This act shall take effect immediately.

STATEMENT

This bill would increase the annual income limit for eligibility to receive a homestead property tax reimbursement.

Under current law, the income limit is \$80,000 or less for single persons or married couples. This bill would increase that income limit to \$100,000 or less in 2017 and each year thereafter, to allow more senior citizens and disabled persons to qualify for this property tax relief program.