

**ASSEMBLY, No. 1051**

---

**STATE OF NEW JERSEY**

**219th LEGISLATURE**

---

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

**Sponsored by:**

**Assemblywoman MILA M. JASEY**

**District 27 (Essex and Morris)**

**Assemblyman JOHN F. MCKEON**

**District 27 (Essex and Morris)**

**Assemblyman CLINTON CALABRESE**

**District 36 (Bergen and Passaic)**

**SYNOPSIS**

Concerns municipal dedicated charitable funds for exclusively public purposes to receive elective contributions made by certain property owners and providing credits for contributions.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning municipal dedicated charitable funds for  
 2 exclusively public purposes to receive elective contributions  
 3 made by certain property owners and providing credits for those  
 4 contributions, supplementing Title 54 of the Revised Statutes and  
 5 amending various sections of statutory law.

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

9  
 10 1. (New section) a. A municipality shall establish by  
 11 ordinance a dedicated fund to receive monetary contributions. All  
 12 moneys in the fund shall be expended for exclusively public  
 13 purposes and allocated pursuant to the "Local Budget Law,"  
 14 N.J.S.40A:4-1 et seq., and other applicable State law, in the same  
 15 manner as property tax revenues. The amount of money collected  
 16 and deposited shall not reduce the amount to be raised by taxation.

17 b. A property owner may elect to contribute to the fund  
 18 established pursuant to subsection a. of this section for the  
 19 municipality in which the owner's property is located by notifying  
 20 the municipal tax collector of the election.

21 c. For property tax years beginning on or after January 1, 2018,  
 22 the municipal tax collector shall allow a property owner a credit  
 23 against the property tax otherwise due for the property tax year  
 24 equal to the amount contributed by the owner during the property  
 25 tax year to the fund established pursuant to subsection a. of this  
 26 section for the municipality in which the owner's property is  
 27 located, not to exceed the liability otherwise due for the property  
 28 tax year.

29  
 30 2. (New section) In addition to the information required by  
 31 R.S.54:4-65, each property tax bill shall have printed thereon notice  
 32 of the election authorized by subsection b. of section 1 of  
 33 P.L. , c. (C. )(pending before the Legislature as this bill) and  
 34 instructions for notifying the municipal tax collector of the election.

35  
 36 3. Section 2 of P.L.1990, c.61, (C.54:4-8.58) is amended to  
 37 read as follows:

38 2. As used in sections 2 through 10 of P.L.1990, c.61 (C.54:4-  
 39 8.58 through 54:4-8.66) and sections 3 and 14 through 16 of  
 40 P.L.1999, c.63 (C.54:4-8.58a and 54:4-8.66a through C.54:4-8.66c):

41 "Annualized rent" means, for tax years 2004 and thereafter, the  
 42 rent paid by the claimant during the tax year for which the  
 43 homestead rebate is being claimed, and if paid for a lease term  
 44 covering less than the full tax year, the actual rent paid for the days  
 45 during the term of the lease of the homestead proportionalized as if

**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 the term of the lease had been for 365 days of the tax year;

2 "Arm's-length transaction" means a transaction in which the  
3 parties are dealing from equal bargaining positions, neither party is  
4 subject to the other's control or dominant influence, and the  
5 transaction is entirely legal in all respects and is treated with  
6 fairness and integrity;

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

10 "Continuing care retirement community" means a residential  
11 facility primarily for retired persons where lodging and nursing,  
12 medical or other health related services at the same or another  
13 location are provided as continuing care to an individual pursuant to  
14 an agreement effective for the life of the individual or for a period  
15 greater than one year, including mutually terminable contracts, and  
16 in consideration of the payment of an entrance fee with or without  
17 other periodic charges;

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

25 "Director" means the Director of the Division of Taxation in the  
26 Department of the Treasury;

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

32 "Homestead" means:

33 a. (1) a dwelling house and the land on which that dwelling  
34 house is located which constitutes the place of the claimant's  
35 domicile and is owned and used by the claimant as the claimant's  
36 principal residence;

37 (2) a dwelling house situated on land owned by a person other  
38 than the claimant which constitutes the place of the claimant's  
39 domicile and is owned and used by the claimant as the claimant's  
40 principal residence;

41 (3) a condominium unit or a unit in a horizontal property regime  
42 which constitutes the place of the claimant's domicile and is owned  
43 and used by the claimant as the claimant's principal residence;

44 (4) for purposes of this definition as provided in this subsection,  
45 in addition to the generally accepted meaning of owned or  
46 ownership, a homestead shall be deemed to be owned by a person if  
47 that person is a tenant for life or a tenant under a lease for 99 years  
48 or more and is entitled to and actually takes possession of the

1 homestead under an executory contract for the sale thereof or under  
2 an agreement with a lending institution which holds title as security  
3 for a loan, or is a resident of a continuing care retirement  
4 community pursuant to a contract for continuing care for the life of  
5 that person which requires the resident to bear a share of the  
6 property taxes that are assessed upon the continuing care retirement  
7 community, if a share is attributable to the unit that the resident  
8 occupies;

9 b. a unit in a cooperative or mutual housing corporation which  
10 constitutes the place of domicile of a residential shareholder or  
11 lessee therein, or of a lessee, or shareholder who is not a residential  
12 shareholder therein, and which is used by the claimant as the  
13 claimant's principal residence; and

14 c. a unit of residential rental property which unit constitutes the  
15 place of the claimant's domicile and is used by the claimant as the  
16 claimant's principal residence;

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

20 "Gross income" means all New Jersey gross income required to  
21 be reported pursuant to the "New Jersey Gross Income Tax Act,"  
22 N.J.S.54A:1-1 et seq., other than income excludable from the gross  
23 income tax return, but before reduction thereof by any applicable  
24 exemptions, deductions and credits, received during the taxable  
25 year by the owner or residential shareholder in, or lessee of, a  
26 homestead;

27 "Manufactured home" or "mobile home" means a unit of housing  
28 which:

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

32 (2) Is built on a permanent chassis;

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

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

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

1 services, which are provided by the municipality in which the park  
2 is located for property owners outside the park, which services may  
3 include but shall not be limited to:

4 (1) The construction and maintenance of streets;

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

6 (3) Garbage removal;

7 (4) Snow removal; and

8 (5) Provisions for the drainage of surface water from home sites  
9 and common areas;

10 "Mutual housing corporation" means a corporation not-for-profit,  
11 incorporated under the laws of this State on a mutual or cooperative  
12 basis within the scope of section 607 of the Lanham Act (National  
13 Defense Housing), Pub.L.849, 76th Congress (42 U.S.C. s.1521 et  
14 seq.), as amended, which acquired a National Defense Housing  
15 Project pursuant to that act;

16 "Principal residence" means a homestead actually and  
17 continually occupied by a claimant as the claimant's permanent  
18 residence, as distinguished from a vacation home, property owned  
19 and rented or offered for rent by the claimant, and other secondary  
20 real property holdings;

21 "Property tax" means payments to a municipality based upon an  
22 assessment made by the municipality upon real property on an ad  
23 valorem basis on land and improvements, and includes  
24 contributions to a municipal fund established pursuant to subsection  
25 a. of section 1 of P.L. , c. (C. )(pending before the Legislature  
26 as this bill), for which a property owner is allowed a credit pursuant  
27 to subsection c. of section 1 of P.L. , c. (C. )(pending before  
28 the Legislature as this bill), but shall not include payments made in  
29 lieu of taxes;

30 "Rent" means the amount due in an arm's-length transaction  
31 solely for the right of occupancy of a homestead that is a unit of  
32 residential rental property. Rent shall not include any amount paid  
33 under the federal Housing Choice Voucher (Section 8) Program or  
34 paid as a rental assistance grant under section 1 of P.L.2004, c.140  
35 (C.52:27D-287.1). If the director finds that the parties in a rental  
36 transaction have not dealt with each other in an arm's-length  
37 transaction and that the rent due was excessive, the director may,  
38 for purposes of the homestead rebate claim, adjust the rent claimed  
39 in the homestead rebate application to a reasonable amount of rent;

40 "Rent constituting property taxes" means 18% of the rent paid by  
41 the homestead rebate claimant during the tax year on a unit of  
42 residential rental property which constitutes the claimant's  
43 homestead, and in the case of a manufactured home or mobile home  
44 in a mobile home park which constitutes the claimant's homestead  
45 means 18% of the site fee paid by the claimant during the tax year  
46 to the owner of the mobile home park. Provided however, that for  
47 tax year 2004 and for each tax year thereafter, rent constituting  
48 property taxes shall equal 18% of annualized rent, and in the case of

1 a manufactured home or mobile home in a mobile home park rent  
2 constituting property taxes shall equal 18% of a similarly  
3 annualized site fee;

4 "Resident" means an individual:

5 a. who is domiciled in this State, unless he maintains no  
6 permanent place of abode in this State, maintains a permanent place  
7 of abode elsewhere, and spends in the aggregate no more than 30  
8 days of the tax year in this State; or

9 b. who is not domiciled in this State but maintains a permanent  
10 place of abode in this State and spends in the aggregate more than  
11 183 days of the tax year in this State, unless the individual is in the  
12 Armed Forces of the United States;

13 "Residential rental property" means:

14 a. any building or structure or complex of buildings or  
15 structures in which dwelling units are rented or leased or offered for  
16 rental or lease for residential purposes;

17 b. a rooming house, hotel or motel, if the rooms constituting  
18 the homestead are equipped with kitchen and bathroom facilities;

19 c. any building or structure or complex of buildings or  
20 structures constructed under the following sections of the National  
21 Housing Act (Pub.L.73-479) as amended and supplemented: section  
22 202, Housing Act of 1959 (Pub.L.86-372) and as subsequently  
23 amended, section 231, Housing Act of 1959; and

24 d. a site in a mobile home park equipped for the installation of  
25 manufactured or mobile homes, where these sites are under  
26 common ownership and control for the purpose of leasing each site  
27 to the owner of a manufactured or mobile home for the installation  
28 thereof;

29 "Residential shareholder in a cooperative or mutual housing  
30 corporation" means a tenant or holder of a membership interest in  
31 that cooperative or corporation, whose residential unit therein  
32 constitutes the tenant or holder's domicile and principal residence,  
33 and who may deduct real property taxes for purposes of federal  
34 income tax pursuant to section 216 of the federal Internal Revenue  
35 Code of 1986, 26 U.S.C. s.216; and

36 "Tax year" means the calendar year in which property taxes are  
37 due and payable.

38 (cf: P.L.2007, c.62, s.21)

39  
40 4 Section 1 of P.L.1997, c.348 (C.54:4-8.67) is amended to  
41 read as follows:

42 1. As used in this act:

43 "Base year" means, in the case of a person who is an eligible  
44 claimant on or before December 31, 1997, the tax year 1997; and in  
45 the case of a person who first becomes an eligible claimant after  
46 December 31, 1997, the tax year in which the person first becomes  
47 an eligible claimant. In the case of an eligible claimant who  
48 subsequently moves from the homestead for which the initial

1 eligibility was established, the base year shall be the first full tax  
2 year during which the person resides in the new homestead.  
3 Provided however, a base year for an eligible claimant after such a  
4 move shall not apply to tax years commencing prior to January 1,  
5 2009.

6 "Commissioner" means the Commissioner of Community  
7 Affairs.

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

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

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

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

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

28 "Eligible claimant" means a person who:

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

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

33 has an annual income of less than \$17,918 in tax year 1998, less  
34 than \$18,151 in tax year 1999, or less than \$37,174 in tax year  
35 2000, if single, or, if married, whose annual income combined with  
36 that of the spouse is less than \$21,970 in tax year 1998, less than  
37 \$22,256 in tax year 1999, or less than \$45,582 in tax year 2000,  
38 which income eligibility limits for single and married persons shall  
39 be subject to adjustments in tax years 2001 through 2006 pursuant  
40 to section 9 of P.L.1997, c.348 (C.54:4-8.68);

41 has an annual income of \$60,000 or less in tax year 2007,  
42 \$70,000 or less in tax year 2008, or \$80,000 or less in tax year  
43 2009, if single or married, which income eligibility limits shall be  
44 subject to adjustments in subsequent tax years pursuant to section 9  
45 of P.L.1997, c.348 (C.54:4-8.68);

46 as a renter or homeowner, has made a long-term contribution to  
47 the fabric, social structure and finances of one or more communities  
48 in this State, as demonstrated through the payment of property taxes

1 directly, or through rent, on any homestead or rental unit used as a  
2 principal residence in this State for at least 10 consecutive years at  
3 least three of which as owner of the homestead for which a  
4 homestead property tax reimbursement is sought prior to the date  
5 that an initial application for a homestead property tax  
6 reimbursement is filed. A person who has been an eligible claimant  
7 for a previous tax year shall qualify as an eligible claimant  
8 beginning the second full tax year following a move to another  
9 homestead in New Jersey, despite not meeting the three-year  
10 minimum residency and ownership requirement required for initial  
11 claimants under this paragraph; provided that the person satisfies  
12 the income eligibility limits for the tax year. Provided however,  
13 eligibility beginning in a second full tax year after such a move  
14 shall not apply to tax years commencing prior to January 1, 2010.

15 "Homestead" means:

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

20 a site in a mobile home park equipped for the installation of  
21 manufactured or mobile homes, where these sites are under  
22 common ownership and control for the purpose of leasing each site  
23 to the owner of a manufactured or mobile home for the installation  
24 thereof and such site is used by the eligible claimant as the eligible  
25 claimant's principal residence;

26 a dwelling house situated on land owned by a person other than  
27 the eligible claimant which constitutes the place of the eligible  
28 claimant's domicile and is owned and used by the eligible claimant  
29 as the eligible claimant's principal residence;

30 a condominium unit or a unit in a horizontal property regime or a  
31 continuing care retirement community which constitutes the place  
32 of the eligible claimant's domicile and is owned and used by the  
33 eligible claimant as the eligible claimant's principal residence.

34 In addition to the generally accepted meaning of "owned" or  
35 "ownership," a homestead shall be deemed to be owned by a person  
36 if that person is a tenant for life or a tenant under a lease for 99  
37 years or more, is entitled to and actually takes possession of the  
38 homestead under an executory contract for the sale thereof or under  
39 an agreement with a lending institution which holds title as security  
40 for a loan, or is a resident of a continuing care retirement  
41 community pursuant to a contract for continuing care for the life of  
42 that person which requires the resident to bear, separately from any  
43 other charges, the proportionate share of property taxes attributable  
44 to the unit that the resident occupies;

45 a unit in a cooperative or mutual housing corporation which  
46 constitutes the place of domicile of a residential shareholder or  
47 lessee therein, or of a lessee or shareholder who is not a residential



1 shareholder therein, which is used by the eligible claimant as the  
2 eligible claimant's principal residence.

3 "Homestead property tax reimbursement" means payment of the  
4 difference between the amount of property tax or site fee  
5 constituting property tax due and paid in any year on any  
6 homestead, exclusive of improvements not included in the  
7 assessment on the real property for the base year, and the amount of  
8 property tax or site fee constituting property tax due and paid in the  
9 base year, when the amount paid in the base year is the lower  
10 amount; but such calculations shall be reduced by any current year  
11 property tax reductions or reductions in site fees constituting  
12 property taxes resulting from judgments entered by county boards  
13 of taxation or the State Tax Court.

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

17 "Manufactured home" or "mobile home" means a unit of housing  
18 which:

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

22 (2) Is built on a permanent chassis;

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

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

33 "Mobile home park" means a parcel of land, or two or more  
34 parcels of land, containing no fewer than 10 sites equipped for the  
35 installation of manufactured or mobile homes, where these sites are  
36 under common ownership and control for the purpose of leasing  
37 each site to the owner of a manufactured or mobile home for the  
38 installation thereof, and where the owner or owners provide  
39 services, which are provided by the municipality in which the park  
40 is located for property owners outside the park, which services may  
41 include but shall not be limited to:

42 (1) The construction and maintenance of streets;

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

44 (3) Garbage removal;

45 (4) Snow removal; and

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

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

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

9 "Principal residence" means a homestead actually and  
10 continually occupied by an eligible claimant as his or her permanent  
11 residence, as distinguished from a vacation home, property owned  
12 and rented or offered for rent by the claimant, and other secondary  
13 real property holdings.

14 "Property tax" means the general property tax due and paid as set  
15 forth in this section, on a homestead, and includes contributions to a  
16 municipal fund established pursuant to subsection a. of section 1 of  
17 P.L. , c. (C. )(pending before the Legislature as this bill), for  
18 which a property owner is allowed a credit pursuant to subsection  
19 c. of section 1 of P.L. , c. (C. )(pending before the Legislature  
20 as this bill), but does not include special assessments and interest  
21 and penalties for delinquent taxes. For the sole purpose of  
22 qualifying for a benefit under P.L.1997, c.348 (C.54:4-8.67 et seq.),  
23 property taxes paid by June 1 of the year following the year for  
24 which the benefit is claimed will be deemed to be timely paid.

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

27 "Tax year" means the calendar year in which a homestead is  
28 assessed and the property tax is levied thereon and it means the  
29 calendar year in which income is received or accrued.

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

31  
32 5. Section 2 of P.L.1996, c.60 (C.54A:3A-16) is amended to  
33 read as follows:

34 2. As used in this act:

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

38 "Continuing care retirement community" means a residential  
39 facility primarily for retired persons where lodging and nursing,  
40 medical or other health related services at the same or another  
41 location are provided as continuing care to an individual pursuant to  
42 an agreement effective for the life of the individual or for a period  
43 greater than one year, including mutually terminable contracts, and  
44 in consideration of the payment of an entrance fee with or without  
45 other periodic charges.

46 "Cooperative" means a housing corporation or association which  
47 entitles the holder of a share or membership interest thereof to  
48 possess and occupy for dwelling purposes a house, apartment,

1 manufactured or mobile home or other unit of housing owned or  
2 leased by the corporation or association, or to lease or purchase a  
3 unit of housing constructed or to be constructed by the corporation  
4 or association.

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

10 "Homestead" means:

11 a. a dwelling house and the land on which that dwelling house  
12 is located which constitutes the place of the taxpayer's domicile and  
13 is owned and used by the taxpayer as the taxpayer's principal  
14 residence;

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

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

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

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

39 e. a unit of residential rental property, which unit constitutes  
40 the place of the taxpayer's domicile and is used by the taxpayer as  
41 the taxpayer's principal residence.

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

45 "Mutual housing corporation" means a corporation not-for-profit,  
46 incorporated under the laws of this State on a mutual or cooperative  
47 basis within the scope of section 607 of the Lanham Act (National  
48 Defense Housing), Pub.L.849, 76th Congress (42 U.S.C.1521 et

1 seq.), as amended, which acquired a National Defense Housing  
2 Project pursuant to that act.

3 "Principal residence" means a homestead actually and  
4 continually occupied by a taxpayer as the taxpayer's permanent  
5 residence, as distinguished from a vacation home, property owned  
6 and rented or offered for rent by the taxpayer, and other secondary  
7 real property holdings.

8 "Property taxes" means payments to municipalities for which an  
9 assessment by a municipality has been made on an ad valorem basis  
10 on both land and improvements, and includes contributions to a  
11 municipal fund established pursuant to subsection a. of section 1 of  
12 P.L. , c. (C. )(pending before the Legislature as this bill), for  
13 which a property owner is allowed a credit pursuant to subsection c.  
14 of section 1 of P.L. , c. (C. )(pending before the Legislature as  
15 this bill), and shall not include payments made in lieu of taxes.

16 "Rent constituting property taxes" means 18% of the rent paid by  
17 the taxpayer for occupancy during the taxable year of a unit of  
18 residential rental property which the taxpayer occupies as a  
19 principal residence; notwithstanding the definition of "property  
20 taxes" herein, rent constituting property taxes includes the rent paid  
21 for the occupancy of a manufactured home installed in a mobile  
22 home park.

23 "Residential rental property" means:

24 a. any building or structure or complex of buildings or  
25 structures in which dwelling units are rented or leased or offered for  
26 rental or lease for residential purposes;

27 b. a rooming house, hotel or motel, if the rooms constituting  
28 the homestead are equipped with kitchen and bathroom facilities;  
29 and

30 c. any building or structure or complex of buildings or  
31 structures constructed under the following sections of the National  
32 Housing Act (Pub.L.73-479) as amended and supplemented:  
33 section 202, Housing Act of 1959 (Pub.L.86-372) and as  
34 subsequently amended, section 231, Housing Act of 1959.

35 "Residential shareholder in a cooperative or mutual housing  
36 corporation" means a tenant or holder of a membership interest in  
37 that cooperative or corporation, whose residential unit therein  
38 constitutes the tenant's or holder's domicile and principal residence,  
39 and who may deduct real property taxes for purposes of federal  
40 income tax pursuant to section 216 of the federal Internal Revenue  
41 Code of 1986, 26 U.S.C .216.

42 (cf: P.L.1996, c.60, s.2)

43

44 6. (New section) a. Notwithstanding any provision of  
45 P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the Director of  
46 the Division of Local Government Services in the Department of  
47 Community Affairs may adopt immediately upon filing with the  
48 Office of Administrative Law such regulations as the director

1 deems necessary to implement the provisions of this act, which  
2 shall be effective for a period not to exceed 360 days following  
3 enactment of P.L. , c. (C. ) (pending before the Legislature as  
4 this bill) and may thereafter be amended, adopted or readopted by  
5 the director in accordance with the requirements of P.L.1968, c.410.

6 b. Notwithstanding any provision of P.L.1968, c.410  
7 (C.52:14B-1 et seq.) to the contrary, the Director of the Division of  
8 Taxation, Department of the Treasury, may adopt immediately upon  
9 filing with the Office of Administrative Law such regulations as the  
10 director deems necessary to implement the provisions of this act,  
11 which shall be effective for a period not to exceed 360 days  
12 following enactment of P.L. , c. (C. ) (pending before the  
13 Legislature as this bill) and may thereafter be amended, adopted or  
14 readopted by the director in accordance with the requirements of  
15 P.L.1968, c.410.

16  
17 7. This act shall take effect immediately.

18  
19  
20 STATEMENT

21  
22 This bill requires municipalities to establish by ordinance a  
23 dedicated municipal fund for exclusively public purposes to receive  
24 elective contributions made by real property owners. A  
25 contribution made to a municipal fund shall be expended for  
26 exclusively public purposes. Also, pursuant to the Local Budget  
27 Law and applicable State law, moneys in the fund will be allocated  
28 in the same manner as property tax revenues collected by a  
29 municipality.

30 A property tax payer who elects to make a contribution will be  
31 allowed a credit against the owner's property tax otherwise due for  
32 the amounts contributed up to the amount of the property tax  
33 liability of the property owner for the tax year. Instructions for  
34 notifying the municipal tax collector of the election will be on each  
35 tax bill for property tax years beginning on or after January 1, 2018.  
36 The amount of money collected and deposited in the municipal fund  
37 shall not reduce the amount to be raised by local real property  
38 taxation.

39 Elective contributions to the municipal fund for which a property  
40 owner is allowed credit will be deemed real property tax payments  
41 for the purpose of the homestead property tax benefit program, the  
42 senior and disabled citizens homestead property tax reimbursement  
43 program, and the gross income tax property tax deduction or credit.