

ASSEMBLY, No. 3

STATE OF NEW JERSEY

INTRODUCED JUNE 5, 1997

By Assemblymen COLLINS, T.SMITH, Asselta, Malone, Cottrell, Gibson, Kramer, Assemblywoman Wright, Assemblymen LeFevre, Bucco, Augustine, Rocco, Dalton, Assemblywomen Gill, Friscia, Assemblyman Coutinho, Assemblywoman Heck, Assemblymen Talarico, DeSopo, Assemblywoman Allen, Assemblymen Bagger, Azzolina, Blee, Kelly, Romano, Assemblywomen Turner, Cruz-Perez, Assemblymen Zisa, Stanley, Zecker, Doria, Assemblywoman Quigley, Assemblymen Charles, Caraballo, Greenwald, Steele, Garcia, Barnes, Assemblywoman Buono, Assemblyman Jones, Assemblywoman Pou, Assemblymen Roberts, Cohen, Wisniewski and Gusciora

1 AN ACT providing a homestead property tax reimbursement to certain
2 eligible homeowners and supplementing chapter 4D of Title 30 of
3 the Revised Statutes.

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

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8 1. As used in this act:

9 "Base year" means, in the case of a person who is an eligible
10 claimant on or before November 1, 1996, the tax year 1996; and in the
11 case of a person who first becomes an eligible claimant after
12 November 1, 1996, the tax year in which the person first becomes an
13 eligible claimant.

14 "Commissioner" means the Commissioner of Health and Senior
15 Services.

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

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

25 "Disabled person" means an individual receiving or having qualified
26 to receive monetary payments pursuant to Title II of the federal Social
27 Security Act (42 U.S.C. §401 et seq.) on November 1, 1997, or on

1 November 1 in all or any part of the year for which a homestead
2 property tax reimbursement under this act is claimed.

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

8 "Eligible claimant" means a person who:

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

10 is an owner of a homestead;

11 is qualified to receive PAAD benefits, or was qualified in the
12 previous tax year to receive PAAD benefits but who is not so PAAD
13 qualified in the current tax year; and

14 as a renter or homeowner, has made a long-term contribution to the
15 fabric, social structure and finances of one or more communities in this
16 State, as demonstrated through the payment of property taxes directly,
17 or through rent, on any homestead or rental unit used as a principal
18 residence in this State for at least 15 consecutive years prior to the
19 date that an application for a homestead property tax reimbursement
20 is filed.

21 "Homestead" means:

22 a dwelling house and the land on which that dwelling house is
23 located which constitutes the place of the eligible claimant's domicile
24 and is owned and used by the eligible claimant as the eligible claimant's
25 principal residence;

26 a dwelling house situated on land owned by a person other than the
27 eligible claimant which constitutes the place of the eligible claimant's
28 domicile and is owned and used by the eligible claimant as the eligible
29 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 of
32 the eligible claimant's domicile and is owned and used by the eligible
33 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 if
36 that person is a tenant for life or a tenant under a lease for 99 years or
37 more, is entitled to and actually takes possession of the homestead
38 under an executory contract for the sale thereof or under an agreement
39 with a lending institution which holds title as security for a loan, or is
40 a resident of a continuing care retirement community pursuant to a
41 contract for continuing care for the life of that person which requires
42 the resident to bear, separately from any other charges, the
43 proportionate share of property taxes attributable to the unit that the
44 resident occupies;

45 a unit in a cooperative or mutual housing corporation which
46 constitutes the place of domicile of a residential shareholder or lessee

1 therein, or of a lessee or shareholder who is not a residential
2 shareholder therein, which is used by the eligible claimant as the
3 eligible claimant's principal residence.

4 "Homestead property tax reimbursement" means payment of the
5 difference between the amount of property tax paid or payable in any
6 year on any 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 paid in the base year, when the amount paid in the base
9 year is the lower amount; but such calculations shall exclude current
10 year property tax reductions resulting from judgments entered by
11 county boards of taxation or the State Tax Court.

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

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

21 "PAAD benefits" mean payment of pharmaceutical benefits received
22 pursuant to the "Pharmaceutical Assistance to the Aged and Disabled"
23 program, P.L.1975, c.194 (C.30:4D-20 et seq.).

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

29 "Property tax" means the general property tax paid or payable as set
30 forth in this section, on a homestead, but does not include special
31 assessments and interest and penalties for delinquent taxes.

32 "Tax year" means the calendar year in which a homestead is
33 assessed and the property tax is levied thereon.

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35 2. Every eligible claimant shall be entitled, beginning with
36 reimbursement for the property tax year 1997 and annually thereafter,
37 on proper claim being made therefor to the commissioner, to a
38 homestead property tax reimbursement. An eligible claimant granted
39 a homestead property tax reimbursement under P.L. , c.
40 (C.) (pending before the Legislature as this bill) may receive in
41 addition to a homestead property tax reimbursement any other
42 property tax rebate, credit or tax deduction provided by any other law.
43 The surviving spouse of a deceased resident of this State who during
44 his or her life received a homestead property tax reimbursement
45 pursuant to P.L. , c. (C.) (pending before the
46 Legislature as this bill) shall be entitled, so long as he or she remains

1 a resident in the same homestead with respect to which the homestead
2 property tax reimbursement was granted, and so long as he or she
3 remains eligible for PAAD benefits, to the same homestead property
4 tax reimbursement, upon the same conditions, with respect to the same
5 homestead.

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7 3. An application for a homestead property tax reimbursement
8 hereunder shall be filed with the commissioner on or before December
9 31, 1997 and on or before December 31 annually thereafter and shall
10 reflect the prerequisites for a homestead property tax reimbursement
11 on November 1 of the year of filing; provided, however, that the
12 commissioner may, by rule, waive the requirement for filing an annual
13 application for any year or years subject to any limitations and
14 conditions the commissioner may deem appropriate. The application
15 shall be on a form prescribed by the commissioner and provided for the
16 use of applicants hereunder. Each applicant making a claim for a
17 homestead property tax reimbursement under this act shall provide to
18 the commissioner a copy of his or her current year property tax bill on
19 the homestead constituting that person's principal residence and a
20 copy of his or her property tax bill for the base year on the same
21 homestead, or other equivalent proof as permitted by the
22 commissioner.

23 It shall be the duty of every eligible claimant to inform the
24 commissioner of any change in his or her status or homestead which
25 may affect his or her right to continuance of the homestead property
26 tax reimbursement.

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28 4. The commissioner shall administer the homestead property tax
29 reimbursement program. A payment for the homestead property tax
30 reimbursement amount, as calculated by the commissioner, shall be
31 mailed to each person determined by the commissioner to be an
32 eligible claimant under this act on or before July 15, 1998 and July 15
33 annually thereafter. All payments made pursuant to this section shall
34 be appropriated from receipts in the Casino Revenue Fund.

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36 5. When title to a homestead as to which a homestead property tax
37 reimbursement is claimed is held by an eligible claimant and another or
38 others, either as tenants in common or as joint tenants, the eligible
39 claimant shall not be allowed a homestead property tax reimbursement
40 in an amount in excess of his or her proportionate share of the taxes
41 assessed against the homestead, which proportionate share, for the
42 purposes of this act, shall be deemed to be equal to that of each of the
43 other tenants, unless it is shown that the interests in question are not
44 equal, in which event the eligible claimant's proportionate share shall
45 be as shown. Nothing herein shall preclude more than one tenant,
46 whether title be held in common or joint tenancy, from claiming a

1 homestead property tax reimbursement from the taxes assessed against
2 the property so held, but no more than the equivalent of one full
3 homestead property tax reimbursement in regard to such homestead
4 shall be allowed in any year. In any case in which the eligible
5 claimants cannot agree as to the apportionment thereof, such
6 homestead property tax reimbursement shall be apportioned between
7 or among them in proportion to their interest. Property held by
8 husband and wife, as tenants by the entirety, shall be deemed wholly
9 owned by each tenant, but no more than one full homestead property
10 tax reimbursement in regard to such homestead shall be allowed in any
11 year. Right to claim a homestead property tax reimbursement
12 hereunder shall extend to a homestead the title to which is held by a
13 partnership, to the extent of the eligible claimant's interest as a partner
14 therein, and by a guardian, trustee, committee, conservator or other
15 fiduciary for any person who would otherwise be entitled to claim such
16 homestead property tax reimbursement hereunder, but not to a
17 homestead the title to which is held by a corporation; except that a
18 residential shareholder in a cooperative or mutual housing corporation
19 shall be entitled to claim a homestead property tax reimbursement if he
20 or she is otherwise eligible to receive it, to the extent of the
21 proportionate share of the taxes assessed against the homestead of the
22 corporation, or any other entity holding title, attributable to his or her
23 unit therein. No eligible claimant shall be entitled to payment under
24 this act for a homestead property tax reimbursement on more than one
25 homestead within the State in the same tax year.

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27 6. A municipality may apply to the State Treasurer, for any costs
28 incurred by the municipality in connection with the administration of
29 this act in accordance with such procedures as shall be determined by
30 the State Treasurer.

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32 7. Pursuant to the "Administrative Procedure Act," P.L.1968,
33 c.410 (C.52:14B-1 et seq.), the commissioner shall promulgate such
34 rules and regulations and prescribe such forms as the commissioner
35 shall deem necessary to implement this act. The commissioner shall
36 also promulgate rules and regulations to implement an appeals process
37 for aggrieved persons to use if eligibility for a homestead property tax
38 reimbursement rebate is denied.

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40 8. This act shall take effect immediately.

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STATEMENT

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45 This bill provides, annually beginning in calendar year 1998, a
46 homestead property tax reimbursement to senior and disabled, PAAD-

1 eligible residents of the State who are homeowners and who have paid
2 property taxes on a homestead or rental unit used as their principal
3 residence in this State for at least 15 consecutive years. The annual
4 homestead property tax reimbursement payments would effectively
5 freeze the property taxes for those eligible senior and disabled
6 residents. Currently, single persons must have an annual income of
7 less than \$17,550, and a married couple must have an annual income
8 of less than \$21,519, in order to be eligible for assistance under the
9 PAAD program. Those qualified homeowners would be eligible to
10 receive a check from the State equal to the difference between the
11 amount of property taxes paid for the base tax year of 1996 or a base
12 year being the year in which such a person becomes eligible for this
13 benefit, and any future tax year in which the eligible homeowner pays
14 taxes that are higher than the base-year amount. The homestead
15 property tax reimbursement is intended to further the State's interest
16 in maintaining a diverse population through the preservation,
17 continuity and stability of its low-income senior and disabled
18 homeowners who have contributed to the fabric, social structure and
19 finances of New Jersey communities, by affording protection to those
20 homeowners who may otherwise be forced to move out of State upon
21 disability or retirement due to increasing property taxes.

22 The homestead property tax reimbursement is to be calculated by
23 the Commissioner of Health and Senior Services, who is directed to
24 administer the homestead property tax reimbursement program using
25 information, in the form of property tax payment, or other equivalent
26 proof as permitted by the commissioner, provided by applicants for the
27 homestead property tax reimbursement. The homestead property tax
28 reimbursement is required to be paid to those eligible homeowners on
29 or before July 15, 1998 and on or before July 15 in each succeeding
30 year. Payments made pursuant to this bill will be appropriated from
31 receipts in the Casino Revenue Fund. The bill gives the commissioner
32 the power to promulgate rules and regulations and prescribe the
33 necessary forms, as the commissioner deems necessary to implement
34 the homestead property tax reimbursement program. The bill also
35 permits a municipality to apply to the State Treasurer for any costs
36 incurred by the municipality in connection with the administration of
37 this bill in accordance with procedures determined by the State
38 Treasurer.

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43 Provides homestead property tax reimbursement to certain PAAD-
44 qualified senior and disabled homeowners.