

§§,1,9,2-7,10
C. 54:4-8.67
To
54:4-8.75

P.L. 1997, CHAPTER 348, *approved January 14, 1998*
Assembly, No. 3 (*Third Reprint*)

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.

4

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

7

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 ³[November 1, 1996] December 31, 1997³, the
11 tax year ³[1996] 1997³; and in the case of a person who first becomes
12 an eligible claimant after ³[November 1, 1996] December 31, 1997³,
13 the tax year in which the person first becomes an eligible claimant.

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

16 ³"Director" means the Director of the Division of Taxation.³

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly ASI committee amendments adopted June 9, 1997.

² Assembly AAP committee amendments adopted June 16, 1997.

³ Assembly amendments adopted in accordance with Governor's recommendations January 12, 1998.

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

4 "Cooperative" means a housing corporation or association which
5 entitles the holder of a share or membership interest thereof to possess
6 and occupy for dwelling purposes a house, apartment or other unit of
7 housing owned or leased by the corporation or association, or to lease
8 or purchase a unit of housing constructed or to be constructed by the
9 corporation or association.

10 "Disabled person" means an individual receiving ³[or having
11 qualified to receive]³ monetary payments pursuant to Title II of the
12 federal Social Security Act (42 U.S.C. §401 et seq.) on ³[November
13 1, 1997] December 31, 1998³, or on ³[November 1] December 31³ in
14 all or any part of the year for which a homestead property tax
15 reimbursement under this act is claimed.

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

21 "Eligible claimant" means a person who:

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

23 is an owner of a homestead ¹, or the lessee of a site in a mobile
24 home park on which site the applicant owns a manufactured or mobile
25 home¹;

26 ³[is qualified to receive PAAD benefits, or was qualified in the
27 previous tax year to receive PAAD benefits but who is not so PAAD
28 qualified in the current tax year; and] has an annual income of less than
29 \$17,918, if single, or, if married, whose annual income combined with
30 that of the spouse is less than \$21,970.³

31 as a renter or homeowner, has made a long-term contribution to the
32 fabric, social structure and finances of one or more communities in this
33 State, as demonstrated through the payment of property taxes directly,
34 or through rent, on any homestead or rental unit used as a principal
35 residence in this State for at least ²[15] 10² consecutive years ³at least
36 three of which as owner of the homestead for which a homestead
37 property tax reimbursement is sought³ prior to the date that an
38 application for a homestead property tax reimbursement is filed.

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 domicile
42 and is owned and used by the eligible claimant as the eligible claimant's
43 principal residence;

44 ¹a site in a mobile home park equipped for the installation of
45 manufactured or mobile homes, where these sites are under common
46 ownership and control for the purpose of leasing each site to the

1 owner of a manufactured or mobile home for the installation thereof
2 and such site is used by the eligible claimant as the eligible claimant's
3 principal residence.¹

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

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

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

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

28 "Homestead property tax reimbursement" means payment of the
29 difference between the amount of property tax ¹or site fee constituting
30 property tax^{1 3}[paid or payable] due and paid³ in any year on any
31 homestead, exclusive of improvements not included in the assessment
32 on the real property for the base year, and the amount of property tax
33 ¹or site fee constituting property tax^{1 3}due and³ paid in the base
34 year, ³[¹or, for eligible claimants who have paid property tax for only
35 a portion of the base year, the annualized amount otherwise
36 payable.¹]³ when the amount paid in the base year ³[¹or the annualized
37 amount¹]³ is the lower amount; but such calculations shall ³[exclude]
38 be reduced by any³ current year property tax reductions ¹or reductions
39 in site fees constituting property taxes¹ resulting from judgments
40 entered by county boards of taxation or the State Tax Court.

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

44 ¹"Manufactured home" or "mobile home" means a unit of housing
45 which:

46 (1) Consists of one or more transportable sections which are

1 substantially constructed off site and, if more than one section, are
2 joined together on site;

3 (2) Is built on a permanent chassis;

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

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

14 "Mobile home park" means a parcel of land, or two or more parcels
15 of land, containing no fewer than 10 sites equipped for the installation
16 of manufactured or mobile homes, where these sites are under
17 common ownership and control for the purpose of leasing each site to
18 the owner of a manufactured or mobile home for the installation
19 thereof, and where the owner or owners provide services, which are
20 provided by the municipality in which the park is located for property
21 owners outside the park, which services may include but shall not be
22 limited to:

23 (1) The construction and maintenance of streets;

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

25 (3) Garbage removal;

26 (4) Snow removal; and

27 (5) Provisions for the drainage of surface water from home sites
28 and common areas.¹

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

35 ³["PAAD benefits" mean payment of pharmaceutical benefits
36 received pursuant to the "Pharmaceutical Assistance to the Aged and
37 Disabled" program, P.L.1975, c.194 (C.30:4D-20 et seq.).] "Income"
38 means income as determined pursuant to P.L.1975, c.194 (C:30:4D-20
39 et seq.)³

40 "Principal residence" means a homestead actually and continually
41 occupied by an eligible claimant as his or her permanent residence, as
42 distinguished from a vacation home, property owned and rented or
43 offered for rent by the claimant, and other secondary real property
44 holdings.

45 "Property tax" means the general property tax ³[paid or payable]
46 due and paid³ as set forth in this section, on a homestead, but does not

1 include special assessments and interest and penalties for delinquent
2 taxes.

3 ¹"Site fee constituting property tax" means 18 percent of the annual
4 site fee paid or payable to the owner of a mobile home park.¹

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

7
8 2. Every eligible claimant shall be entitled ³[, beginning with] to³
9 reimbursement for ³[the property tax year 1997] each year subsequent
10 to the base year³ and annually thereafter, on proper claim being made
11 therefor to the ³[commissioner] director³, to a homestead property tax
12 reimbursement. ³[An eligible claimant granted a homestead property
13 tax reimbursement under P.L. , c. (C.) (pending
14 before the Legislature as this bill) may receive in addition to a
15 homestead property tax reimbursement any other property tax rebate,
16 credit or tax deduction provided by any other law.] The amount of the
17 homestead property tax reimbursement shall be reduced by the amount
18 of the deductions taken by the eligible claimant pursuant to P.L.1963,
19 c.171 (C.54:4-8.10 to 54:4-8.23) and P.L.1964, c.255 (C.54:4-8.40 to
20 54:4-8.45).³ The surviving spouse of a deceased resident of this State
21 who during his or her life received a homestead property tax
22 reimbursement pursuant to P.L. , c. (C.) (pending
23 before the Legislature as this bill) shall be entitled, so long as he or she
24 remains a resident in the same homestead with respect to which the
25 homestead property tax reimbursement was granted, and so long as he
26 or she ³[remains eligible for PAAD benefits] is an eligible claimant³,
27 to the same homestead property tax reimbursement, upon the same
28 conditions, with respect to the same homestead.

29
30 3. An application for a homestead property tax reimbursement
31 hereunder shall be filed with the ³[commissioner] director³ on or
32 before December 31, ³[1997] 1998³ and on or before December 31
33 annually thereafter and shall reflect the prerequisites for a homestead
34 property tax reimbursement on ³[November 1] December 31³ of the
35 year of filing; provided, however, that the ³[commissioner] director³
36 may, by rule, waive the requirement for filing an annual application for
37 any year or years subject to any limitations and conditions the
38 ³[commissioner] director³ may deem appropriate. The application
39 shall be on a form prescribed by the ³[commissioner] director³ and
40 provided for the use of applicants hereunder. Each applicant making
41 a claim for a homestead property tax reimbursement under this act
42 shall provide ³ , if required by the director,³ to the ³[commissioner]
43 director³ a copy of his or her current year property tax bill ¹or current
44 year site fee bill¹ on the homestead constituting that person's principal
45 residence and a copy of his or her property tax bill for the base year
46 ¹or site fee bill for the base year¹ on the same homestead, or other

1 equivalent proof as permitted by the ³[commissioner] director³.

2 It shall be the duty of every eligible claimant to inform the
3 ³[commissioner] director³ of any change in his or her status or
4 homestead which may affect his or her right to continuance of the
5 homestead property tax reimbursement.

6 ³If an eligible claimant receives an additional homestead property
7 tax reimbursement to which the claimant was not entitled or greater
8 than the reimbursement to which the claimant was entitled, the director
9 may, in addition to all other available legal remedies, offset such
10 amount against a gross income tax refund or amount due pursuant to
11 P.L.1990, c.61.³

12

13 4. The ³[commissioner] director³ shall administer the homestead
14 property tax reimbursement program. A payment for the homestead
15 property tax reimbursement amount, as calculated by the
16 ³[commissioner] director³, shall be mailed to each person determined
17 by the ³[commissioner] director³ to be an eligible claimant under this
18 act on or before July 15, ³[1998] 1999³ and July 15 annually
19 thereafter. All payments made pursuant to this section shall be
20 appropriated from receipts in the Casino Revenue Fund.

21

22 5. When title to a homestead as to which a homestead property tax
23 reimbursement is claimed is held by an eligible claimant and another or
24 others, either as tenants in common or as joint tenants, the eligible
25 claimant shall not be allowed a homestead property tax reimbursement
26 in an amount in excess of his or her proportionate share of the taxes
27 assessed against the homestead, which proportionate share, for the
28 purposes of this act, shall be deemed to be equal to that of each of the
29 other tenants, unless it is shown that the interests in question are not
30 equal, in which event the eligible claimant's proportionate share shall
31 be as shown. Nothing herein shall preclude more than one tenant,
32 whether title be held in common or joint tenancy, from claiming a
33 homestead property tax reimbursement from the taxes assessed against
34 the property so held, but no more than the equivalent of one full
35 homestead property tax reimbursement in regard to such homestead
36 shall be allowed in any year. In any case in which the eligible
37 claimants cannot agree as to the apportionment thereof, such
38 homestead property tax reimbursement shall be apportioned between
39 or among them in proportion to their interest. Property held by
40 husband and wife, as tenants by the entirety, shall be deemed wholly
41 owned by each tenant, but no more than one full homestead property
42 tax reimbursement in regard to such homestead shall be allowed in any
43 year. Right to claim a homestead property tax reimbursement
44 hereunder shall extend to a homestead the title to which is held by a
45 partnership, to the extent of the eligible claimant's interest as a partner
46 therein, and by a guardian, trustee, committee, conservator or other

1 fiduciary for any person who would otherwise be entitled to claim such
2 homestead property tax reimbursement hereunder, but not to a
3 homestead the title to which is held by a corporation; except that a
4 residential shareholder in a cooperative or mutual housing corporation
5 shall be entitled to claim a homestead property tax reimbursement if he
6 or she is otherwise eligible to receive it, to the extent of the
7 proportionate share of the taxes assessed against the homestead of the
8 corporation, or any other entity holding title, attributable to his or her
9 unit therein. No eligible claimant shall be entitled to payment under
10 this act for a homestead property tax reimbursement on more than one
11 homestead within the State in the same tax year.

12
13 ³[6. A municipality may apply to the State Treasurer, for any costs
14 incurred by the municipality in connection with the administration of
15 this act in accordance with such procedures as shall be determined by
16 the State Treasurer.]³

17
18 ³[7] 6³. Pursuant to the "Administrative Procedure Act," P.L.1968,
19 c.410 (C.52:14B-1 et seq.), the ³[commissioner] director³ shall
20 promulgate such rules and regulations and prescribe such forms as the
21 ³[commissioner] director³ shall deem necessary to implement this act.
22 The ³[commissioner] director shall also promulgate rules and
23 regulations to implement an appeals process for aggrieved persons to
24 use if eligibility for a homestead property tax reimbursement rebat

25
26 ³7. In the event that a previously eligible claimant ceases to be an
27 eligible claimant for any tax year, the base year for that claimant shall
28 be the year prior to which the claimant again becomes an eligible
29 claimant.³

30
31 ³8. Section 3 of P.L.1996, c.60 (C.54:3A-17) is amended to read
32 as follows:

33 3. a. A resident taxpayer under the "New Jersey Gross Income
34 Tax Act," N.J.S.54A:1-1 et seq., shall be allowed a deduction from
35 gross income for property taxes not in excess of \$10,000, subject to
36 the limitations of subsection f. of this section, due and paid for the
37 calendar year in which the taxes are due and payable on the taxpayer's
38 homestead.

39 b. A deduction for property taxes shall be allowed pursuant to this
40 section in relation to the amount of the property taxes actually paid by
41 or allocable to a resident taxpayer who has more than one homestead,
42 but the aggregate amount of the property taxes claimed shall not
43 exceed the total of the proportionate amounts of property taxes
44 assessed and levied against or allocable to each homestead for the
45 portion of the taxable year for which the taxpayer occupied it as the
46 taxpayer's principal residence.

1 c. If title to a homestead is held by more than one individual as
2 joint tenants or tenants in common, each individual shall be allowed a
3 deduction pursuant to this section only in relation to the individual's
4 proportionate share of the property taxes assessed and levied against
5 the homestead. The proportionate share shall be equal to that of all
6 other individuals who hold the title, but if the conveyance under which
7 the title is held provides for unequal interests therein, a taxpayer's
8 share of the property taxes shall be in proportion to the taxpayer's
9 interest in the title.

10 d. If title to a homestead is held by a husband and wife who own
11 the homestead as tenants by the entirety, or if that husband and wife
12 are both residential shareholders of a cooperative or mutual housing
13 corporation and occupy the same homestead therein, and who elect to
14 file separate income tax returns pursuant to the "New Jersey Gross
15 Income Tax Act," N.J.S.54A:1-1 et seq., that husband and wife shall
16 each be entitled to one-half of the deduction for property taxes for
17 which they may be jointly eligible pursuant to this section.

18 e. If the homestead is a dwelling house consisting of more than one
19 unit, that taxpayer shall be allowed a deduction for property taxes only
20 in relation to the proportionate share of the property taxes assessed
21 and levied against the residential unit occupied by the taxpayer, as
22 determined by the local tax assessor.

23 f. Notwithstanding the provisions of subsection a. of this section
24 to the contrary: (1) a resident taxpayer shall be allowed a deduction
25 for a taxpayer's taxable year beginning during 1996 based on 50% of
26 the property taxes not in excess of \$5,000 paid on the taxpayer's
27 homestead; and (2) a resident taxpayer shall be allowed a deduction
28 for a taxpayer's taxable year beginning during 1997 based on 75% of
29 the property taxes not in excess of \$7,500 paid on the taxpayer's
30 homestead.

31 g. Notwithstanding any other provision of this section, the
32 deduction allowed under this section to a resident taxpayer eligible to
33 receive a homestead property tax reimbursement pursuant to P.L. ,
34 c. (C.) (pending before the Legislature as this bill) shall not
35 exceed that resident taxpayer's base year property tax liability as
36 determined pursuant to P.L. ,c . (C.) (pending before the
37 Legislature as this bill).³

38 (cf: P.L.1996, c.60, s.3)

39
40 ^{39.} The income eligibility limits provided in the definition of
41 "eligible claimant" under Section 1 of P.L. , c. (C.) (pending
42 before the Legislature as this bill) shall increase by the amount of the
43 maximum Social Security benefit cost of living increase for that year
44 for single and married persons, respectively. The director shall adopt
45 new income limits annually by notice or regulation.³

46

1 ³10. Any person violating any provisions of this act shall be subject
2 to the applicable civil and criminal penalties under New Jersey law.
3 Any person who violates any provisions of this act shall be subject to
4 a suspension of eligibility for one year for a first offense and
5 permanent revocation of eligibility for a second offense.³

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7 ³[8.] 11.³ This act shall take effect immediately.

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12 _____

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