

SENATE, No. 117

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Senator PALAIA

1 AN ACT concerning property tax rebates to tenants residing in certain  
2 structures and amending P.L.1976, c.63.

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

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7 1. Section 2 of P.L.1976, c.63 (C.54:4-6.3) is amended to read as  
8 follows:

9 2. As used in this act unless the context clearly indicates a different  
10 meaning:

11 a. "Qualified real rental property" means any building or structure  
12 or complex of buildings or structures in which four or more housing  
13 units are rented or leased or offered for rental or lease for residential  
14 purposes except hotels [,]; motels or other guesthouses serving  
15 transient or seasonal guests [, residents of a residential]; individual  
16 condominium or cooperative [,]units wherever situated; mutual  
17 housing corporation or continuing care retirement [community who  
18 are entitled to a homestead rebate pursuant to section 1 of P.L.1976,  
19 c.72 (C.54:4-3.80), and owner-occupied structures of three units or  
20 less] communities; and group residences in which the rent covers  
21 social or personal services and requires tenant participation in  
22 rehabilitative, medical or related programs.

23 b. "Property tax reduction" means the difference between the  
24 amount of property tax paid or payable in any year on any qualified  
25 real rental property, exclusive of improvements not included in the  
26 assessment on the real property for the base year, and the amount of  
27 property tax paid in the base year, but such calculations for the  
28 property tax reduction shall exclude reductions resulting from  
29 judgments entered by county boards of taxation, the tax court, or by  
30 courts of competent jurisdiction. "Property tax reduction" shall also  
31 include any rebate or refund of school property taxes which may be  
32 provided pursuant to P.L.1976, c.113. "Property tax reduction" shall

**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.**

1 not include any amount in excess of that which is identified herein.  
2 Any such amount shall be retained by the property owner.

3 c. "Base year" means, for qualified real rental property rented or  
4 leased or offered for rent or lease on or after the effective date of this  
5 act, the tax year prior to any year in which the property tax on that  
6 property is decreased from the 1990 tax year or decreased from any  
7 tax year since the 1990 tax year, whichever tax year results in the  
8 largest property tax decrease.  
9 (cf: P.L.1991, c.65, s.1)

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11 2. This act shall take effect immediately.

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#### STATEMENT

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16 This bill would amend the definition of "qualified real rental  
17 property" contained in the "Tenants' Property Tax Rebate Act,"  
18 P.L.1976, c.63 (C.54:4-6.2 et seq.). Under the act, an owner of  
19 "qualified real rental property" must provide a property tax rebate to  
20 the tenants that reside therein. Currently, that definition excepts  
21 certain types of housing units, including all owner-occupied structures  
22 of three units or less, from the act's purview.

23 This bill would limit the applicability of the act to any building or  
24 structure or complex of buildings or structures in which four or more  
25 housing units are rented for residential purposes. The bill would also  
26 except from the act's provisions: individual condominium or  
27 cooperative units wherever situated; all mutual housing corporations  
28 and continuing care retirement communities; and group residences in  
29 which the rent covers social or personal services and requires tenant  
30 participation in rehabilitative, medical or related programs.

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35 Exempts certain structures from "Tenants' Property Tax Rebate Act."