

SENATE, No. 2179

STATE OF NEW JERSEY

INTRODUCED JUNE 12, 1997

By Senators CONNORS, DiFRANCESCO, Sinagra and Singer

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:*

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 November 1, 1996, the tax year 1996; and, in  
11 the 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  
28 November 1 in all or any part of the year for which a homestead  
29 property tax reimbursement under this act is claimed.

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

35 "Eligible claimant" means a person who:

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

1 is an owner of a homestead;

2 is qualified to receive PAAD benefits, or was qualified in the  
3 previous tax year to receive PAAD benefits but who is not so PAAD  
4 qualified in the current tax year; and

5 as a renter or homeowner, has made a long-term contribution to the  
6 fabric, social structure and finances of one or more communities in this  
7 State, as demonstrated through the payment of property taxes directly,  
8 or through rent, on any homestead or rental unit used as a principal  
9 residence in this State for at least 10 years prior to the date that an  
10 application for a homestead property tax reimbursement is filed.

11 "Homestead" means:

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

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

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

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

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

40 "Homestead property tax reimbursement" means payment of the  
41 difference between the amount of property tax paid or payable in any  
42 year on any homestead, exclusive of improvements not included in the  
43 assessment on the real property for the base year, and the amount of  
44 property tax paid in the base year, when the amount paid in the base  
45 year is the lower amount; but such calculations shall exclude current

1 year property tax reductions resulting from judgments entered by  
2 county boards of taxation or the State Tax Court.

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

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

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

15 "Principal residence" means a homestead actually and continually  
16 occupied by an eligible claimant as his or her permanent residence, as  
17 distinguished from a vacation home, property owned and rented or  
18 offered for rent by the claimant, and other secondary real property  
19 holdings.

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

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

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

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44 3. An application for a homestead property tax reimbursement  
45 hereunder shall be filed with the commissioner on or before December  
46 31, 1997 and on or before December 31 annually thereafter and shall

1 reflect the prerequisites for a homestead property tax reimbursement  
2 on November 1 of the year of filing; provided, however, that the  
3 commissioner may, by rule, waive the requirement for filing an annual  
4 application for any year or years subject to any limitations and  
5 conditions the commissioner may deem appropriate. The application  
6 shall be on a form prescribed by the commissioner and provided for the  
7 use of applicants hereunder. Each applicant making a claim for a  
8 homestead property tax reimbursement under this act shall provide to  
9 the commissioner a copy of his or her current year property tax bill on  
10 the homestead constituting that person's principal residence and a  
11 copy of his or her property tax bill for the base year on the same  
12 homestead, or other equivalent proof as permitted by the  
13 commissioner.

14 It shall be the duty of every eligible claimant to inform the  
15 commissioner of any change in his or her status or homestead which  
16 may affect his or her right to continuance of the homestead property  
17 tax reimbursement.

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19 4. The commissioner shall administer the homestead property tax  
20 reimbursement program. A payment for the homestead property tax  
21 reimbursement amount, as calculated by the commissioner, shall be  
22 mailed to each person determined by the commissioner to be an  
23 eligible claimant under this act on or before July 15, 1998 and July 15  
24 annually thereafter. All payments made pursuant to this section shall  
25 be appropriated from receipts generated solely from the Casino  
26 Revenue Fund. If receipts in the Casino Revenue Fund are insufficient  
27 in any year to pay the total cost of the homestead property tax  
28 reimbursement claims, then reimbursements shall be paid on a pro rata  
29 basis for that year and no part of an unpaid claim for a homestead  
30 property tax reimbursement shall be carried into a subsequent year.

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32 5. When title to a homestead as to which a homestead property tax  
33 reimbursement is claimed is held by an eligible claimant and another or  
34 others, either as tenants in common or as joint tenants, the eligible  
35 claimant shall not be allowed a homestead property tax reimbursement  
36 in an amount in excess of his or her proportionate share of the taxes  
37 assessed against the homestead, which proportionate share, for the  
38 purposes of this act, shall be deemed to be equal to that of each of the  
39 other tenants, unless it is shown that the interests in question are not  
40 equal, in which event the eligible claimant's proportionate share shall  
41 be as shown. Nothing herein shall preclude more than one tenant,  
42 whether title be held in common or joint tenancy, from claiming a  
43 homestead property tax reimbursement from the taxes assessed against  
44 the property so held, but no more than the equivalent of one full  
45 homestead property tax reimbursement in regard to such homestead  
46 shall be allowed in any year. In any case in which the eligible

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

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23 6. A municipality may apply to the State Treasurer, for any costs  
24 incurred by the municipality in connection with the administration of  
25 this act in accordance with such procedures as shall be determined by  
26 the State Treasurer.

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

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36 8. This act shall take effect immediately.

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#### STATEMENT

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41 This bill provides, annually beginning in calendar year 1998, a  
42 homestead property tax reimbursement to senior and disabled, PAAD-  
43 eligible residents of the State who are homeowners and who have paid  
44 property taxes on a homestead or rental unit used as their principal  
45 residence in this State for at least 10 years. The annual homestead  
46 property tax reimbursement payments would effectively freeze the

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

18 The homestead property tax reimbursement is to be calculated by  
19 the Commissioner of Health and Senior Services, who is directed to  
20 administer the homestead property tax reimbursement program using  
21 information, in the form of property tax payment, or other equivalent  
22 proof as permitted by the commissioner, provided by applicants for the  
23 homestead property tax reimbursement. The homestead property tax  
24 reimbursement is required to be paid to those eligible homeowners on  
25 or before July 15, 1998 and on or before July 15 in each succeeding  
26 year. Payments made pursuant to this bill will be appropriated solely  
27 from receipts in the Casino Revenue Fund. Although the sponsor  
28 believes that growth in the casino industry will provide sufficient  
29 revenue to cover the total cost of this program in future years, the bill  
30 specifically provides that if receipts in the Casino Revenue Fund are  
31 insufficient in any year to fully pay the cost of the homestead property  
32 tax reimbursement, the reimbursement shall be paid on a pro rata basis  
33 and no unpaid amount shall be carried into a subsequent year. The bill  
34 gives the commissioner the power to promulgate rules and regulations  
35 and prescribe the necessary forms, as the commissioner deems  
36 necessary to implement the homestead property tax reimbursement  
37 program. The bill also permits a municipality to apply to the State  
38 Treasurer for any costs incurred by the municipality in connection with  
39 the administration of this bill in accordance with procedures  
40 determined by the State Treasurer.

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