

ASSEMBLY, No. 1481

STATE OF NEW JERSEY

220th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2022 SESSION

Sponsored by:

Assemblyman DANIEL R. BENSON

District 14 (Mercer and Middlesex)

Assemblywoman CAROL A. MURPHY

District 7 (Burlington)

Co-Sponsored by:

Assemblymen Verrelli, Conaway, Assemblywomen Dunn, Reynolds-Jackson and Assemblyman Mukherji

SYNOPSIS

Excludes veteran disability compensation from income qualification limits under homestead property tax reimbursement program.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 10/05/2022)

1 AN ACT excluding certain veteran disability compensation from the
2 income qualification limits for the homestead property tax
3 reimbursement program and amending P.L.1997, c.348.
4

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

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

10 1. As used in this act:

11 "Base year" means, in the case of a person who is an eligible
12 claimant on or before December 31, 1997, the tax year 1997; and in
13 the case of a person who first becomes an eligible claimant after
14 December 31, 1997, the tax year in which the person first becomes
15 an eligible claimant. In the case of an eligible claimant who
16 subsequently moves from the homestead for which the initial
17 eligibility was established, the base year shall be the first full tax
18 year during which the person resides in the new homestead.
19 Provided however, a base year for an eligible claimant after such a
20 move shall not apply to tax years commencing prior to January 1,
21 2009.

22 "Commissioner" means the Commissioner of Community
23 Affairs.

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

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

28 "Cooperative" means a housing corporation or association which
29 entitles the holder of a share or membership interest thereof to
30 possess and occupy for dwelling purposes a house, apartment or
31 other unit of housing owned or leased by the corporation or
32 association, or to lease or purchase a unit of housing constructed or
33 to be constructed by the corporation or association.

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

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

44 "Eligible claimant" means a person who: is 65 or more years of
45 age, or who is a disabled person;

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

4 has an annual income of less than \$17,918 in tax year 1998, less
5 than \$18,151 in tax year 1999, or less than \$37,174 in tax year
6 2000, if single, or, if married, whose annual income combined with
7 that of the spouse is less than \$21,970 in tax year 1998, less than
8 \$22,256 in tax year 1999, or less than \$45,582 in tax year 2000,
9 which income eligibility limits for single and married persons shall
10 be subject to adjustments in tax years 2001 through 2006 pursuant
11 to section 9 of P.L.1997, c.348 (C.54:4-8.68);

12 has an annual income of \$60,000 or less in tax year 2007,
13 \$70,000 or less in tax year 2008, or \$80,000 or less in tax year
14 2009, if single or married, which income eligibility limits shall be
15 subject to adjustments in subsequent tax years pursuant to section 9
16 of P.L.1997, c.348 (C.54:4-8.68);

17 as a renter or homeowner, has made a long-term contribution to
18 the fabric, social structure and finances of one or more communities
19 in this State, as demonstrated through the payment of property taxes
20 directly, or through rent, on any homestead or rental unit used as a
21 principal residence in this State for at least 10 consecutive years at
22 least three of which as owner of the homestead for which a
23 homestead property tax reimbursement is sought prior to the date
24 that an initial application for a homestead property tax
25 reimbursement is filed. A person who has been an eligible claimant
26 for a previous tax year shall qualify as an eligible claimant
27 beginning the second full tax year following a move to another
28 homestead in New Jersey, despite not meeting the three-year
29 minimum residency and ownership requirement required for initial
30 claimants under this paragraph; provided that the person satisfies
31 the income eligibility limits for the tax year. Provided however,
32 eligibility beginning in a second full tax year after such a move
33 shall not apply to tax years commencing prior to January 1, 2010.

34 "Homestead" means:

35 a dwelling house and the land on which that dwelling house is
36 located which constitutes the place of the eligible claimant's
37 domicile and is owned and used by the eligible claimant as the
38 eligible claimant's principal residence;

39 a site in a mobile home park equipped for the installation of
40 manufactured or mobile homes, where these sites are under
41 common ownership and control for the purpose of leasing each site
42 to the owner of a manufactured or mobile home for the installation
43 thereof and such site is used by the eligible claimant as the eligible
44 claimant's principal residence;

45 a dwelling house situated on land owned by a person other than
46 the eligible claimant which constitutes the place of the eligible
47 claimant's domicile and is owned and used by the eligible claimant
48 as the eligible claimant's principal residence;

1 a condominium unit or a unit in a horizontal property regime or a
2 continuing care retirement community which constitutes the place
3 of the eligible claimant's domicile and is owned and used by the
4 eligible claimant as the eligible claimant's principal residence.

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

16 a unit in a cooperative or mutual housing corporation which
17 constitutes the place of domicile of a residential shareholder or
18 lessee therein, or of a lessee or shareholder who is not a residential
19 shareholder therein, which is used by the eligible claimant as the
20 eligible claimant's principal residence.

21 "Homestead property tax reimbursement" means payment of the
22 difference between the amount of property tax or site fee
23 constituting property tax due and paid in any year on any
24 homestead, exclusive of improvements not included in the
25 assessment on the real property for the base year, and the amount of
26 property tax or site fee constituting property tax due and paid in the
27 base year, when the amount paid in the base year is the lower
28 amount; but such calculations shall be reduced by any current year
29 property tax reductions or reductions in site fees constituting
30 property taxes resulting from judgments entered by county boards
31 of taxation or the State Tax Court.

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

35 "Manufactured home" or "mobile home" means a unit of housing
36 which:

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

40 (2) Is built on a permanent chassis;

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

43 (4) Is manufactured in accordance with the standards
44 promulgated for a manufactured home by the Secretary of the
45 United States Department of Housing and Urban Development
46 pursuant to the "National Manufactured Housing Construction and
47 Safety Standards Act of 1974," Pub.L.93-383 (42 U.S.C. s.5401 et
48 seq.) and the standards promulgated for a manufactured or mobile

1 home by the commissioner pursuant to the "State Uniform
2 Construction Code Act," P.L.1975, c.217 (C.52:27D-119 et seq.).

3 "Mobile home park" means a parcel of land, or two or more
4 parcels of land, containing no fewer than 10 sites equipped for the
5 installation of manufactured or mobile homes, where these sites are
6 under common ownership and control for the purpose of leasing
7 each site to the owner of a manufactured or mobile home for the
8 installation thereof, and where the owner or owners provide
9 services, which are provided by the municipality in which the park
10 is located for property owners outside the park, which services may
11 include but shall not be limited to:

- 12 (1) The construction and maintenance of streets;
- 13 (2) Lighting of streets and other common areas;
- 14 (3) Garbage removal;
- 15 (4) Snow removal; and
- 16 (5) Provisions for the drainage of surface water from home sites
17 and common areas.

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

24 "Income" means income as determined pursuant to
25 P.L.1975, c.194 (C:30:4D-20 et seq.), however, disability
26 compensation paid by the United States Department of Veterans
27 Affairs to a veteran for disabilities that are a result of or made
28 worse by injuries or diseases that happened while on active duty,
29 active duty for training, or inactive duty training, shall not be
30 counted as income for the purpose of determining whether a person
31 is an eligible claimant for the purposes of P.L.1997, c.348 (C.54:4-
32 8.67 et seq.).

33 "Principal residence" means a homestead actually and
34 continually occupied by an eligible claimant as his or her permanent
35 residence, as distinguished from a vacation home, property owned
36 and rented or offered for rent by the claimant, and other secondary
37 real property holdings.

38 "Property tax" means the general property tax due and paid as set
39 forth in this section, and shall include the amount of property tax
40 credit as defined in P.L.2018, c.11 (C.54:4-66.6), on a homestead,
41 but does not include special assessments and interest and penalties
42 for delinquent taxes. For the sole purpose of qualifying for a
43 benefit under P.L.1997, c.348 (C.54:4-8.67 et seq.), property taxes
44 paid by June 1 of the year following the year for which the benefit
45 is claimed will be deemed to be timely paid.

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

1 "Tax year" means the calendar year in which a homestead is
2 assessed and the property tax is levied thereon and it means the
3 calendar year in which income is received or accrued.

4 "Veteran" means any citizen and resident of this State honorably
5 discharged or released under honorable circumstances from active
6 service in time of war in any branch of the Armed Forces of the
7 United States.

8 (cf: P.L.2018, c.11, s.11)

9
10 2. This act shall take effect immediately.

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13 STATEMENT

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15 This bill would allow more disabled veterans to qualify for the
16 homestead property tax reimbursement program. The homestead
17 property tax reimbursement program reimburses eligible senior
18 citizens and disabled persons for property tax increases. The
19 amount of the reimbursement is the difference between the amount
20 of property taxes that were due and paid for the "base year" (the
21 first year that an individual meets all the eligibility requirements)
22 and the amount due and paid for the year that the individual is
23 applying for the reimbursement, provided the amount paid for the
24 current year is greater.

25 The bill would exclude disability compensation paid by the
26 United States Department of Veterans Affairs to a veteran from the
27 calculation of that person's income for the purpose of determining
28 whether the person is eligible to participate in the homestead
29 property tax reimbursement program.