

# SENATE, No. 1406

## STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED FEBRUARY 10, 2022

**Sponsored by:**

**Senator NIA H. GILL**

**District 34 (Essex and Passaic)**

### **SYNOPSIS**

Revises homestead property tax reimbursement eligibility requirements for certain claimants relocating homesteads within the same municipality.

### **CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning eligibility for homestead property tax  
2 reimbursements, amending P.L.1997, c.348.

3  
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
5 *of New Jersey:*

6  
7 1. Section 1 of P.L.1997, c.348 (C.54:4-8.67) is amended to  
8 read as follows:

9 1. As used in this act:

10 "Base year" means, in the case of a person who is an eligible  
11 claimant on or before December 31, 1997, the tax year 1997; and in  
12 the case of a person who first becomes an eligible claimant after  
13 December 31, 1997, the tax year in which the person first becomes  
14 an eligible claimant. In the case of an eligible claimant who  
15 subsequently moves from the homestead for which the initial  
16 eligibility was established, the base year shall be the first full tax  
17 year during which the person resides in the new homestead.  
18 Provided however, a base year for an eligible claimant after such a  
19 move shall not apply to tax years commencing prior to January 1,  
20 2009. In the case of an eligible claimant who subsequently moves  
21 from the homestead for which the initial eligibility was established  
22 to another homestead of equal or lesser value that is located within  
23 the same municipality as the homestead for which the initial  
24 eligibility was established and that is not new construction, the base  
25 year shall be the tax year immediately preceding the first full tax  
26 year during which the person resides in the new homestead.  
27 Provided however, a base year for an eligible claimant after such a  
28 move within the same municipality shall not apply to tax years  
29 commencing prior to January 1, 2022.

30 "Commissioner" means the Commissioner of Community  
31 Affairs.

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

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

36 "Cooperative" means a housing corporation or association which  
37 entitles the holder of a share or membership interest thereof to  
38 possess and occupy for dwelling purposes a house, apartment or  
39 other unit of housing owned or leased by the corporation or  
40 association, or to lease or purchase a unit of housing constructed or  
41 to be constructed by the corporation or association.

42 "Disabled person" means an individual receiving monetary  
43 payments pursuant to Title II of the federal Social Security Act (42  
44 U.S.C. s.401 et seq.) on December 31, 1998, or on December 31 in

**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 all or any part of the year for which a homestead property tax  
2 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  
5 more than one may be used for commercial purposes, but shall not  
6 include a unit in a condominium, cooperative, horizontal property  
7 regime or 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, or the lessee of a site in a mobile  
11 home park on which site the applicant owns a manufactured or  
12 mobile home;

13 has an annual income of less than \$17,918 in tax year 1998, less  
14 than \$18,151 in tax year 1999, or less than \$37,174 in tax year  
15 2000, if single, or, if married, whose annual income combined with  
16 that of the spouse is less than \$21,970 in tax year 1998, less than  
17 \$22,256 in tax year 1999, or less than \$45,582 in tax year 2000,  
18 which income eligibility limits for single and married persons shall  
19 be subject to adjustments in tax years 2001 through 2006 pursuant  
20 to section 9 of P.L.1997, c.348 (C.54:4-8.68);

21 has an annual income of \$60,000 or less in tax year 2007,  
22 \$70,000 or less in tax year 2008, or \$80,000 or less in tax year  
23 2009, if single or married, which income eligibility limits shall be  
24 subject to adjustments in subsequent tax years pursuant to section 9  
25 of P.L.1997, c.348 (C.54:4-8.68);

26 as a renter or homeowner, has made a long-term contribution to  
27 the fabric, social structure and finances of one or more communities  
28 in this State, as demonstrated through the payment of property taxes  
29 directly, or through rent, on any homestead or rental unit used as a  
30 principal residence in this State for at least 10 consecutive years at  
31 least three of which as owner of the homestead for which a  
32 homestead property tax reimbursement is sought prior to the date  
33 that an initial application for a homestead property tax  
34 reimbursement is filed. A person who has been an eligible claimant  
35 for a previous tax year shall qualify as an eligible claimant  
36 beginning the second full tax year following a move to another  
37 homestead in New Jersey, despite not meeting the three-year  
38 minimum residency and ownership requirement required for initial  
39 claimants under this paragraph; provided that the person satisfies  
40 the income eligibility limits for the tax year. Provided however,  
41 eligibility beginning in a second full tax year after such a move  
42 shall not apply to tax years commencing prior to January 1, 2010.  
43 A person who has been an eligible claimant for a previous tax year  
44 shall qualify as an eligible claimant beginning the first full tax year  
45 following a move to another homestead of equal or lesser value that  
46 is located within the same municipality as the homestead for which  
47 the initial eligibility was established and that is not new  
48 construction, despite not meeting the three-year minimum residency

1 and ownership requirement required for initial claimants under this  
2 paragraph; provided that the person satisfies the income eligibility  
3 limits for the tax year. Provided however, eligibility beginning in a  
4 first full tax year after such a move within the same municipality  
5 shall not apply to tax years commencing prior to January 1, 2023.

6 "Homestead" means:

7 a dwelling house and the land on which that dwelling house is  
8 located which constitutes the place of the eligible claimant's  
9 domicile and is owned and used by the eligible claimant as the  
10 eligible claimant's principal residence;

11 a site in a mobile home park equipped for the installation of  
12 manufactured or mobile homes, where these sites are under  
13 common ownership and control for the purpose of leasing each site  
14 to the owner of a manufactured or mobile home for the installation  
15 thereof and such site is used by the eligible claimant as the eligible  
16 claimant's principal residence;

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

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

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

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

41 "Homestead property tax reimbursement" means payment of the  
42 difference between the amount of property tax or site fee  
43 constituting property tax due and paid in any year on any  
44 homestead, exclusive of improvements not included in the  
45 assessment on the real property for the base year, and the amount of  
46 property tax or site fee constituting property tax due and paid in the  
47 base year, when the amount paid in the base year is the lower  
48 amount; but such calculations shall be reduced by any current year

1 property tax reductions or reductions in site fees constituting  
2 property taxes resulting from judgments entered by county boards  
3 of taxation or the State Tax Court.

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

7 "Manufactured home" or "mobile home" means a unit of housing  
8 which:

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

12 (2) Is built on a permanent chassis;

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

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

23 "Mobile home park" means a parcel of land, or two or more  
24 parcels of land, containing no fewer than 10 sites equipped for the  
25 installation of manufactured or mobile homes, where these sites are  
26 under common ownership and control for the purpose of leasing  
27 each site to the owner of a manufactured or mobile home for the  
28 installation thereof, and where the owner or owners provide  
29 services, which are provided by the municipality in which the park  
30 is located for property owners outside the park, which services may  
31 include but shall not be limited to:

32 (1) The construction and maintenance of streets;

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

34 (3) Garbage removal;

35 (4) Snow removal; and

36 (5) Provisions for the drainage of surface water from home sites  
37 and common areas.

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

44 "Income" means income as determined pursuant to P.L.1975,  
45 c.194 (C.30:4D-20 et seq.).

46 "Principal residence" means a homestead actually and  
47 continually occupied by an eligible claimant as his or her permanent  
48 residence, as distinguished from a vacation home, property owned

1 and rented or offered for rent by the claimant, and other secondary  
2 real property holdings.

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

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

13 "Tax year" means the calendar year in which a homestead is  
14 assessed and the property tax is levied thereon and it means the  
15 calendar year in which income is received or accrued.

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

17

18 2. This act shall take effect immediately.

19

20

21

## STATEMENT

22

23 This bill revises homestead property tax reimbursement  
24 eligibility requirements for certain claimants who relocate their  
25 existing homestead to another homestead within the same  
26 municipality after initially qualifying for the benefit.

27 Under current law, an eligible claimant must have paid property  
28 taxes directly, or through rent, on any homestead or rental unit used  
29 as a principal residence in this State for at least 10 consecutive  
30 years, at least three of those as owner of the property for which a  
31 homestead property tax reimbursement is sought, prior to the date  
32 that an application for a homestead property tax reimbursement is  
33 filed. The law allows an eligible claimant who moves to another  
34 New Jersey homestead after initially qualifying to resume eligibility  
35 to receive a reimbursement in connection with the new home, but  
36 only beginning the second full tax year after the move.

37 This bill shortens the time that must elapse between a move and  
38 the resumption of benefits for eligible claimants who relocate  
39 within the same municipality. The bill provides that, after initially  
40 qualifying, an eligible claimant who moves from one homestead to  
41 another homestead of equal or lesser value that is located within the  
42 same municipality as the homestead for which the initial eligibility  
43 was established and that is not new construction will be allowed to  
44 resume eligibility to receive a homestead property tax  
45 reimbursement for the first full tax year following the eligible  
46 claimant's move.

47 The bill makes similar modifications to the base year on which  
48 property tax reimbursements are based. The bill provides that for

**S1406 GILL**

7

1 eligible claimants who move from one homestead to another  
2 homestead of equal or lesser value that is located within the same  
3 municipality as the homestead for which the initial eligibility was  
4 established and that is not new construction, the base year on which  
5 reimbursements will be based will be the tax year immediately  
6 preceding the first full tax year during which the claimant resides in  
7 the new homestead.

8 Under the bill, the new base year can be no earlier than tax year  
9 2022, and the first claim for which a person making a move within  
10 the same municipality can reestablish eligibility to receive, and file  
11 a claim for, a homestead property tax reimbursement is tax year  
12 2023. Accordingly, the first payments to claimants who have  
13 reestablished their eligibility will be made in fiscal year 2024.

14 The bill takes effect immediately upon enactment.