

[First Reprint]

## **ASSEMBLY, No. 1327**

# **STATE OF NEW JERSEY**

## **220th LEGISLATURE**

PRE-FILED FOR INTRODUCTION IN THE 2022 SESSION

**Sponsored by:**

**Assemblywoman GABRIELA M. MOSQUERA**

**District 4 (Camden and Gloucester)**

**Assemblyman DANIEL R. BENSON**

**District 14 (Mercer and Middlesex)**

**Assemblyman PAUL D. MORIARTY**

**District 4 (Camden and Gloucester)**

**Co-Sponsored by:**

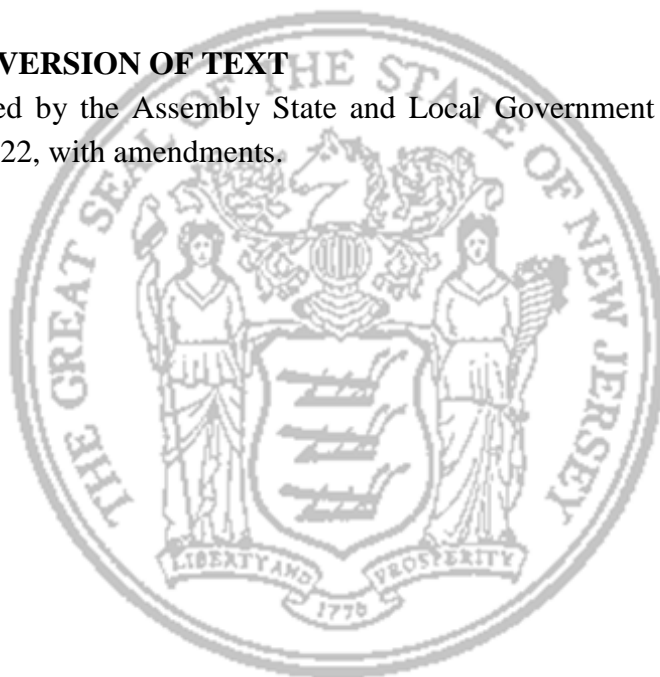
**Assemblywomen Swain, Quijano and McKnight**

**SYNOPSIS**

Revises criteria to establish base year for homestead property tax reimbursement after relocation.

**CURRENT VERSION OF TEXT**

As reported by the Assembly State and Local Government Committee on March 17, 2022, with amendments.



**(Sponsorship Updated As Of: 5/26/2022)**

1 AN ACT concerning the base year for a homestead property tax  
2 reimbursement and 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 <sup>1</sup>**["continue to"]** be  
17 the **["first full tax"]** <sup>1</sup>**["base"]** first full tax year prior to the<sup>1</sup> year  
18 **["during which the person resides in the new"]** <sup>1</sup>**["applicable to their**  
19 **former"]** during which the person resides in the new<sup>1</sup> homestead.  
20 **["Provided however, a base year for an eligible claimant after such a**  
21 **move shall not apply to tax years commencing prior to January 1,**  
22 **2009.】** If the current homestead constitutes new construction, then  
23 the base year shall be deemed to be the first full tax year following  
24 completion of the new construction.

25 "Commissioner" means the Commissioner of Community  
26 Affairs.

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

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

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

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

42 "Dwelling house" means any residential property assessed as real  
43 property which consists of not more than four units, of which not  
44 more than one may be used for commercial purposes, but shall not

**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.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Assembly ASL committee amendments adopted March 17, 2022.

1 include a unit in a condominium, cooperative, horizontal property  
2 regime or mutual housing corporation.

3 "Eligible claimant" means a person who:

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

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

8 has an annual income of less than \$17,918 in tax year 1998, less  
9 than \$18,151 in tax year 1999, or less than \$37,174 in tax year  
10 2000, if single, or, if married, whose annual income combined with  
11 that of the spouse is less than \$21,970 in tax year 1998, less than  
12 \$22,256 in tax year 1999, or less than \$45,582 in tax year 2000,  
13 which income eligibility limits for single and married persons shall  
14 be subject to adjustments in tax years 2001 through 2006 pursuant  
15 to section 9 of P.L.1997, c.348 (C.54:4-8.68);

16 has an annual income of \$60,000 or less in tax year 2007,  
17 \$70,000 or less in tax year 2008, or \$80,000 or less in tax year  
18 2009, if single or married, which income eligibility limits shall be  
19 subject to adjustments in subsequent tax years pursuant to section 9  
20 of P.L.1997, c.348 (C.54:4-8.68);

21 as a renter or homeowner, has made a long-term contribution to  
22 the fabric, social structure and finances of one or more communities  
23 in this State, as demonstrated through the payment of property taxes  
24 directly, or through rent, on any homestead or rental unit used as a  
25 principal residence in this State for at least 10 consecutive years at  
26 least three of which as owner of the homestead for which a  
27 homestead property tax reimbursement is sought prior to the date  
28 that an initial application for a homestead property tax  
29 reimbursement is filed. A person who has been an eligible claimant  
30 for a previous tax year shall qualify as an eligible claimant  
31 **【beginning the second full tax year】** immediately following a move  
32 to another homestead in New Jersey, despite not meeting the three-  
33 year minimum residency and ownership requirement required for  
34 initial claimants under this paragraph; provided that the person  
35 satisfies the income eligibility limits for the tax year. Provided  
36 however, that immediate eligibility **【beginning in a second full tax**  
37 **year】** after such a move shall not apply to tax years commencing  
38 prior to January 1, **【2010】** <sup>1</sup>**【2013】** 2021<sup>1</sup>.

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

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

1   thereof and such site is used by the eligible claimant as the eligible  
2   claimant's principal residence;

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

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

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

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

27       "Homestead property tax reimbursement" means payment of the  
28  difference between the amount of property tax or site fee  
29  constituting property tax due and paid in any year on any  
30  homestead, exclusive of improvements not included in the  
31  assessment on the real property for the base year, and the amount of  
32  property tax or site fee constituting property tax due and paid in the  
33  base year, when the amount paid in the base year is the lower  
34  amount; but such calculations shall be reduced by any current year  
35  property tax reductions or reductions in site fees constituting  
36  property taxes resulting from judgments entered by county boards  
37  of taxation or the State Tax Court. When an eligible claimant did  
38 not occupy the homestead as a principle residence in the base year  
39 but occupied another homestead in the base year, and then moved  
40 from that former homestead into the current homestead, the  
41 payment shall be based on the property taxes assessed on the  
42 current homestead for the claimant's base year, even though the  
43 claimant did not occupy the current homestead as a principle  
44 residence at that time.

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

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

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

6 (2) Is built on a permanent chassis;

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

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

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

26 (1) The construction and maintenance of streets;

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

28 (3) Garbage removal;

29 (4) Snow removal; and

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

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

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

40 "New construction" means a homestead that first became taxable  
41 <sup>1</sup>[in a year subsequent to an eligible claimant's base year] during  
42 the year in which the eligible claimant initially takes residence in  
43 the homestead, or the year prior thereto<sup>1</sup>.

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

1 "Property tax" means the general property tax due and paid as set  
2 forth in this section, and shall include the amount of property tax  
3 credit as defined in section 1 of P.L.2018, c.11 (C.54:4-66.6), on a  
4 homestead, but does not include special assessments and interest  
5 and penalties for delinquent taxes. For the sole purpose of  
6 qualifying for a benefit under P.L.1997, c.348 (C.54:4-8.67 et seq.),  
7 property taxes paid by June 1 of the year following the year for  
8 which the benefit is claimed will be deemed to be timely paid. In  
9 the case of an eligible claimant who moves to a homestead after  
10 establishing a base year at another homestead, the property tax shall  
11 include any amount of the general property tax due and paid for the  
12 tax year by the previous owner of the homestead, provided that the  
13 eligible claimant resides in the homestead on December 31 of the  
14 tax year for which the homestead property tax reimbursement is  
15 being claimed.

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

18 "Tax year" means the calendar year in which a homestead is  
19 assessed and the property tax is levied thereon and it means the  
20 calendar year in which income is received or accrued.  
21 (cf: P.L.2018, c.11, s.11)

22

23 2. This act shall take effect immediately.