

[First Reprint]

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, Nos. 1327 and 2873

STATE OF NEW JERSEY
220th LEGISLATURE

ADOPTED JUNE 2, 2022

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, McKnight, Assemblyman Sauickie,

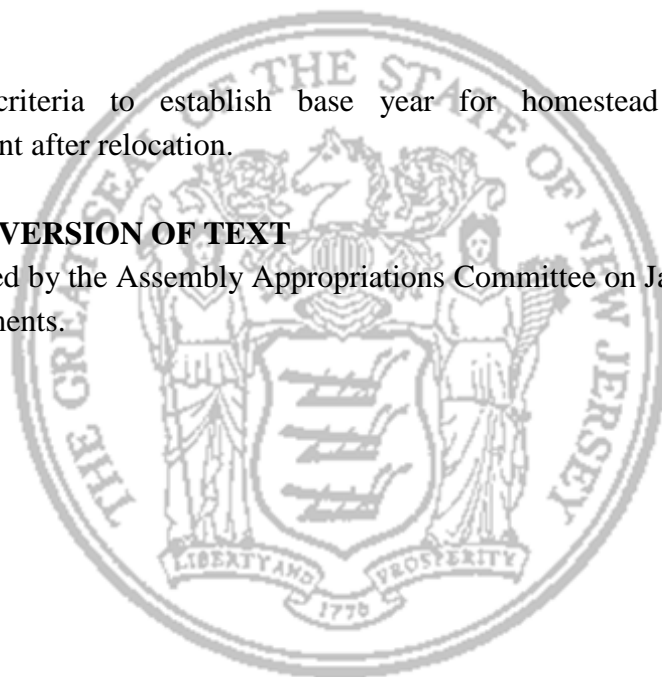
Assemblywoman Pintor Marin, Assemblymen Wirths and Space

SYNOPSIS

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

CURRENT VERSION OF TEXT

As reported by the Assembly Appropriations Committee on January 4, 2024, with amendments.



(Sponsorship Updated As Of: 1/8/2024)

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**[**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 prior to the year during which the person resides in the new
18 homestead. [Provided however, a base year for an eligible claimant
19 after such a move shall not apply to tax years commencing prior to
20 January 1, 2009.] If the current homestead constitutes new
21 construction, then the base year shall be deemed to be the first full
22 tax year following completion of the new construction.

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

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

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

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

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

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

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:

¹Assembly AAP committee amendments adopted January 4, 2024.

1 "Eligible claimant" means a person who:
2 is 65 or more years of age, or who is a disabled person;
3 is an owner of a homestead, or the lessee of a site in a mobile
4 home park on which site the applicant owns a manufactured or
5 mobile home;
6 has an annual income of less than \$17,918 in tax year 1998, less
7 than \$18,151 in tax year 1999, or less than \$37,174 in tax year
8 2000, if single, or, if married, whose annual income combined with
9 that of the spouse is less than \$21,970 in tax year 1998, less than
10 \$22,256 in tax year 1999, or less than \$45,582 in tax year 2000,
11 which income eligibility limits for single and married persons shall
12 be subject to adjustments in tax years 2001 through 2006 pursuant
13 to section 9 of P.L.1997, c.348 (C.54:4-8.68);
14 has an annual income of \$60,000 or less in tax year 2007,
15 \$70,000 or less in tax year 2008, or \$80,000 or less in tax year
16 2009, if single or married, which income eligibility limits shall be
17 subject to adjustments in subsequent tax years pursuant to section 9
18 of P.L.1997, c.348 (C.54:4-8.68);
19 as a renter or homeowner, has made a long-term contribution to
20 the fabric, social structure and finances of one or more communities
21 in this State, as demonstrated through the payment of property taxes
22 directly, or through rent, on any homestead or rental unit used as a
23 principal residence in this State for at least 10 consecutive years at
24 least three of which as owner of the homestead for which a
25 homestead property tax reimbursement is sought prior to the date
26 that an initial application for a homestead property tax
27 reimbursement is filed. A person who has been an eligible claimant
28 for a previous tax year shall qualify as an eligible claimant
29 **【beginning the second full tax year】** immediately following a move
30 to another homestead in New Jersey, despite not meeting the three-
31 year minimum residency and ownership requirement required for
32 initial claimants under this paragraph; provided that the person
33 satisfies the income eligibility limits for the tax year. Provided
34 however, that immediate eligibility **【beginning in a second full tax**
35 **year】** after such a move shall not apply to tax years commencing
36 prior to January 1, **【2010】** 2021.
37 "Homestead" means:
38 a dwelling house and the land on which that dwelling house is
39 located which constitutes the place of the eligible claimant's
40 domicile and is owned and used by the eligible claimant as the
41 eligible claimant's principal residence;
42 a site in a mobile home park equipped for the installation of
43 manufactured or mobile homes, where these sites are under
44 common ownership and control for the purpose of leasing each site
45 to the owner of a manufactured or mobile home for the installation
46 thereof and such site is used by the eligible claimant as the eligible
47 claimant's principal residence;

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

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

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

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

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

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

46 "Manufactured home" or "mobile home" means a unit of housing
47 which:

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

4 (2) Is built on a permanent chassis;

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

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

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

24 (1) The construction and maintenance of streets;

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

26 (3) Garbage removal;

27 (4) Snow removal; and

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

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

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

38 "New construction" means a homestead that first became taxable
39 during the year in which the eligible claimant initially takes
40 residence in the homestead, or the year prior thereto.

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

46 "Property tax" means the general property tax due and paid as set
47 forth in this section, and shall include the amount of property tax
48 credit as defined in section 1 of P.L.2018, c.11 (C.54:4-66.6), on a

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

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

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

18 (cf: P.L.2018, c.11, s.11)】¹

19

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

22 1. As used in this act:

23 "Base year" means, in the case of a person who is an eligible
24 claimant on or before December 31, 1997, the tax year 1997; and in
25 the case of a person who first becomes an eligible claimant after
26 December 31, 1997, the tax year in which the person first becomes an
27 eligible claimant. In the case of an eligible claimant who subsequently
28 moves from the homestead for which the initial eligibility was
29 established, the base year shall be the first full tax year prior to the
30 year during which the person resides in the new homestead. 【Provided
31 however, a base year for an eligible claimant after such a move shall
32 not apply to tax years commencing prior to January 1, 2009.】 If the
33 current homestead constitutes new construction, then the base year
34 shall be deemed to be the first full tax year following completion of
35 the new construction. In the case of an eligible claimant who receives
36 a Stay NJ property tax credit in lieu of a homestead property tax
37 reimbursement pursuant to section 4 of P.L.2023, c.75 (C.54:4-8.75d),
38 the base year of that eligible claimant shall remain unchanged.

39 "Commissioner" means the Commissioner of Community Affairs.

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

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

44 "Cooperative" means a housing corporation or association which
45 entitles the holder of a share or membership interest thereof to possess
46 and occupy for dwelling purposes a house, apartment or other unit of
47 housing owned or leased by the corporation or association, or to lease

1 or purchase a unit of housing constructed or to be constructed by the
2 corporation or association.

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

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

13 "Eligible claimant" means a person who:

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

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

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

25 has an annual income of \$60,000 or less in tax year 2007, \$70,000
26 or less in tax year 2008, or \$80,000 or less in tax year 2009, if single
27 or married, which income eligibility limits shall be subject to
28 adjustments in tax years 2010 through 2021 pursuant to section 9 of
29 P.L.1997, c.348 (C.54:4-8.68);

30 has an annual income of \$150,000 or less in tax year 2022, if
31 single or married, which income eligibility limits shall be subject to
32 adjustments in subsequent tax years pursuant to section 9 of P.L.1997,
33 c.348 (C.54:4-8.68);

34 has, for at least three years, owned and resided in the homestead
35 for which a homestead property tax reimbursement is sought prior to
36 the date that an initial application for a homestead property tax
37 reimbursement is filed. A person who has been an eligible claimant
38 for a previous tax year shall qualify as an eligible claimant [beginning
39 the second full tax year] immediately following a move to another
40 homestead in New Jersey, despite not meeting the three-year minimum
41 residency and ownership requirement required for initial claimants
42 under this paragraph; provided that the person satisfies the income
43 eligibility limits for the tax year. Provided however, that immediate
44 eligibility [beginning in a second full tax year] after such a move shall
45 not apply to tax years commencing prior to January 1, [2010]
46 ¹[2021] 2023¹.

47 "Homestead" means:

1 a dwelling house and the land on which that dwelling house is
2 located which constitutes the place of the eligible claimant's domicile
3 and is owned and used by the eligible claimant as the eligible
4 claimant's principal residence;

5 a site in a mobile home park equipped for the installation of
6 manufactured or mobile homes, where these sites are under common
7 ownership and control for the purpose of leasing each site to the owner
8 of a manufactured or mobile home for the installation thereof and such
9 site is used by the eligible claimant as the eligible claimant's principal
10 residence;

11 a dwelling house situated on land owned by a person other than the
12 eligible claimant which constitutes the place of the eligible claimant's
13 domicile and is owned and used by the eligible claimant as the eligible
14 claimant's principal residence;

15 a condominium unit or a unit in a horizontal property regime or a
16 continuing care retirement community which constitutes the place of
17 the eligible claimant's domicile and is owned and used by the eligible
18 claimant as the eligible claimant's principal residence.

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

30 a unit in a cooperative or mutual housing corporation which
31 constitutes the place of domicile of a residential shareholder or lessee
32 therein, or of a lessee or shareholder who is not a residential
33 shareholder therein, which is used by the eligible claimant as the
34 eligible claimant's principal residence.

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

1 current homestead for the claimant's base year, even though the
2 claimant did not occupy the current homestead as a principle
3 residence at that time.

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:

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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 promulgated
16 for a manufactured home by the Secretary of the United States
17 Department of Housing and Urban Development pursuant to the
18 "National Manufactured Housing Construction and Safety Standards
19 Act of 1974," Pub.L.93-383 (42 U.S.C. s.5401 et seq.) and the
20 standards promulgated for a manufactured or mobile home by the
21 commissioner pursuant to the "State Uniform Construction Code Act,"
22 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 each
27 site to the owner of a manufactured or mobile home for the installation
28 thereof, and where the owner or owners provide services, which are
29 provided by the municipality in which the park is located for property
30 owners outside the park, which services may include but shall not be
31 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 Lanham Act (National
41 Defense Housing), Pub.L.849, (42 U.S.C. s.1521 et seq.), as amended,
42 which acquired a National Defense Housing Project pursuant to that
43 act.

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

46 "New construction" means a homestead that first became taxable
47 during the year in which the eligible claimant initially takes
48 residence in the homestead, or the year prior thereto.

1 "Principal residence" means a homestead actually and continually
2 occupied by an eligible claimant as his or her permanent residence, as
3 distinguished from a vacation home, property owned and rented or
4 offered for rent by the claimant, and other secondary real property
5 holdings.

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

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

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

25 (cf: P.L.2023, c.75, s.13)

26
27 2. This act shall take effect ¹**immediately** for tax years
28 beginning on or after January 1 of the year next following enactment¹.