

ASSEMBLY, No. 110

STATE OF NEW JERSEY

221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:

Assemblyman DONALD A. GUARDIAN

District 2 (Atlantic)

Assemblyman ALEX SAUICKIE

District 12 (Burlington, Middlesex, Monmouth and Ocean)

Co-Sponsored by:

Assemblywomen Swain, Quijano, Reynolds-Jackson, Dunn, Assemblymen

Rumpf, Myhre, Scharfenberger and Assemblywoman Flynn

SYNOPSIS

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

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 2/10/2025)

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 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.

45 "Eligible claimant" means a person who:

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 65 or more years of age, or who is a disabled person;
2 is an owner of a homestead, or the lessee of a site in a mobile
3 home park on which site the applicant owns a manufactured or
4 mobile home;

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

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

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

36 "Homestead" means:

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

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

47 a dwelling house situated on land owned by a person other than
48 the eligible claimant which constitutes the place of the eligible

1 claimant's domicile and is owned and used by the eligible claimant
2 as the eligible claimant's principal residence;

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

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

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

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

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

44 "Manufactured home" or "mobile home" means a unit of housing
45 which:

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

1 (2) Is built on a permanent chassis;

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

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

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

21 (1) The construction and maintenance of streets;

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

23 (3) Garbage removal;

24 (4) Snow removal; and

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

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

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

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

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

43 "Property tax" means the general property tax due and paid as set
44 forth in this section, and shall include the amount of property tax
45 credit as defined in section 1 of P.L.2018, c.11 (C.54:4-66.6), on a
46 homestead, but does not include special assessments and interest
47 and penalties for delinquent taxes. For the sole purpose of
48 qualifying for a benefit under P.L.1997, c.348 (C.54:4-8.67 et seq.),

1 property taxes paid by June 1 of the year following the year for
2 which the benefit is claimed will be deemed to be timely paid. In
3 the case of an eligible claimant who moves to a homestead after
4 establishing a base year at another homestead, the property tax shall
5 include any amount of the general property tax due and paid for the
6 tax year by the previous owner of the homestead, provided that the
7 eligible claimant resides in the homestead on December 31 of the
8 tax year for which the homestead property tax reimbursement is
9 being claimed.

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

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

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

16

17 2. This act shall take effect immediately.

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19

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STATEMENT

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22 This bill would revise criteria to establish the base year for the
23 homestead property tax reimbursement. Under current law, when
24 an eligible claimant moves from one home to another, the base year
25 changes to the first full tax year during which the person resides in
26 the new homestead, and then a claimant must wait an additional tax
27 year in order to be deemed "eligible" for the homestead property tax
28 reimbursement.

29 This bill would allow the claimant to retain eligibility following
30 a move to another New Jersey homestead. Thus, such a claimant
31 would be able to qualify as an eligible claimant immediately
32 following such a move and would not be required to wait an
33 additional tax year in order to claim a reimbursement. In this case,
34 the homestead reimbursement payment would be based on the
35 property taxes assessed on the current homestead for the tax year
36 prior to which the claimant resides in the current homestead.
37 However, if the new homestead is "new construction," which is
38 defined as any homestead that first became taxable during the year
39 in which the eligible claimant initially takes residence in the
40 homestead or the year prior thereto, the base year would be the first
41 full tax year following the construction's completion.