

ASSEMBLY, No. 3169

STATE OF NEW JERSEY 221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:

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District 28 (Essex and Union)

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District 33 (Hudson)

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Assemblywomen Haider, Dunn, Reynolds-Jackson, Matsikoudis,
Assemblymen DePhillips, DeAngelo, McGuckin, S.Kean, Rumpf,
Karabinchak, Assemblywoman Fantasia, Assemblyman Inganamort and
Assemblywoman Flynn**

SYNOPSIS

Allows property tax rebate for disabled veterans.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 6/3/2024)

1 AN ACT concerning property tax relief for disabled veterans,
2 supplementing Title 54 of the Revised Statutes.

3

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

6

7 1. As used in P.L. , c. (C.) (pending before the
8 Legislature as this bill):

9 "Arm's-length transaction" means a transaction in which the
10 parties are dealing from equal bargaining positions, neither party is
11 subject to the other's control or dominant influence, and the
12 transaction is entirely legal in all respects and is treated with
13 fairness and integrity;

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

17 "Continuing care retirement community" means a residential
18 facility primarily for retired persons where lodging and nursing,
19 medical, or other health-related services at the same or another
20 location are provided as continuing care to an individual pursuant to
21 an agreement effective for the life of the individual or for a period
22 greater than one year, including mutually terminable contracts, and
23 in consideration of the payment of an entrance fee with or without
24 other periodic charges;

25 "Cooperative" means a housing corporation or association that
26 entitles the holder of a share or membership interest thereof to
27 possess and occupy for dwelling purposes a house, apartment,
28 manufactured or mobile home, or other unit of housing owned or
29 leased by the corporation or association, or to lease or purchase a
30 unit of housing constructed or to be constructed by the corporation
31 or association;

32 "Director" means the Director of the Division of Taxation in the
33 Department of the Treasury;

34 "Dwelling house" means any residential property assessed as real
35 property which consists of not more than four units, of which not
36 more than one may be used for commercial purposes, but shall not
37 include a unit in a condominium, cooperative, horizontal property
38 regime, or mutual housing corporation;

39 "Homestead" means:

40 a. (1) a dwelling house and the land on which that dwelling
41 house is located, which dwelling house constitutes the place of the
42 claimant's domicile and is owned and used by the claimant as the
43 claimant's principal residence;

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

1 (3) a condominium unit or a unit in a horizontal property
2 regime, which unit constitutes the place of the claimant's domicile
3 and is owned and used by the claimant as the claimant's principal
4 residence;

5 (4) for purposes of this definition as provided in this subsection,
6 in addition to the generally accepted meaning of owned or
7 ownership, a homestead shall be deemed to be owned by a person if
8 that person is a tenant for life or a tenant under a lease for 99 years
9 or more and is entitled to and actually takes possession of the
10 homestead under an executory contract for the sale thereof or under
11 an agreement with a lending institution which holds title as security
12 for a loan, or is a resident of a continuing care retirement
13 community pursuant to a contract for continuing care for the life of
14 that person, which contract requires the resident to bear a share of
15 the property taxes that are assessed upon the continuing care
16 retirement community, if a share is attributable to the unit that the
17 resident occupies;

18 b. 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, and which is used by the claimant as the
22 claimant's principal residence; and

23 c. a unit of residential rental property, which unit constitutes
24 the place of the claimant's domicile and is used by the claimant as
25 the claimant's principal residence;

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

29 "Gross income" means all New Jersey gross income required to
30 be reported pursuant to the "New Jersey Gross Income Tax Act,"
31 N.J.S.54A:1-1 et seq., other than income excludable from the gross
32 income tax return, but before reduction thereof by any applicable
33 exemptions, deductions and credits, received during the taxable
34 year by the owner or residential shareholder in, or lessee of, a
35 homestead;

36 "Manufactured home" or "mobile home" means a unit of housing
37 that:

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

41 (2) Is built on a permanent chassis;

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

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

1 seq.) and the standards promulgated for a manufactured or mobile
2 home by the commissioner pursuant to the "State Uniform
3 Construction Code Act," P.L.1975, c.217 (C.52:27D-119 et seq.);

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

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

19 "Mutual housing corporation" means a corporation not-for-profit,
20 incorporated under the laws of this State on a mutual or cooperative
21 basis within the scope of section 607 of the Lanham Act (National
22 Defense Housing), Pub.L.849, 76th Congress (42 U.S.C. s.1521 et
23 seq.), as amended, which acquired a National Defense Housing
24 Project pursuant to that act;

25 "Principal residence" means a homestead actually and
26 continually occupied by a claimant as the claimant's permanent
27 residence, as distinguished from a vacation home, property owned
28 and rented or offered for rent by the claimant, and other secondary
29 real property holdings;

30 "Property tax" means payments to a municipality based upon an
31 assessment made by the municipality upon real property on an ad
32 valorem basis on land and improvements, and shall include the
33 amount of property tax credit as defined in section 1 of P.L.2018,
34 c.11 (C.54:4-66.6), but shall not include payments made in lieu of
35 taxes;

36 "Rent" means the amount due in an arm's-length transaction
37 solely for the right of occupancy of a homestead that is a unit of
38 residential rental property. Rent shall not include any amount paid
39 under the federal Housing Choice Voucher (Section 8) Program or
40 paid as a rental assistance grant under section 1 of P.L.2004, c.140
41 (C.52:27D-287.1). If the director finds that the parties in a rental
42 transaction have not dealt with each other in an arm's-length
43 transaction and that the rent due was excessive, the director may,
44 for purposes of the homestead rebate claim, adjust the rent claimed
45 in the homestead rebate application to a reasonable amount of rent;

46 "Resident" means an individual:

- 47 a. who is domiciled in this State, unless the individual
48 maintains no permanent place of abode in this State, maintains a

- 1 permanent place of abode elsewhere, and spends in the aggregate no
2 more than 30 days of the tax year in this State; or
- 3 b. who is not domiciled in this State but maintains a permanent
4 place of abode in this State and spends in the aggregate more than
5 183 days of the tax year in this State, unless the individual is in the
6 Armed Forces of the United States;
- 7 "Residential rental property" means:
- 8 a. any building or structure or complex of buildings or
9 structures in which dwelling units are rented or leased or offered for
10 rental or lease for residential purposes;
- 11 b. a rooming house, hotel, or motel, if the rooms constituting
12 the homestead are equipped with kitchen and bathroom facilities;
- 13 c. any building or structure or complex of buildings or
14 structures constructed under the following sections of the National
15 Housing Act (Pub.L.73-479) as amended and supplemented: section
16 202, Housing Act of 1959 (Pub.L.86-372) and as subsequently
17 amended, section 231, Housing Act of 1959; and
- 18 d. a site in a mobile home park equipped for the installation of
19 manufactured or mobile homes, where these sites are under
20 common ownership and control for the purpose of leasing each site
21 to the owner of a manufactured or mobile home for the installation
22 thereof; and
- 23 "Tax year" means the calendar year in which property taxes are
24 due and payable.
- 25
- 26 2. a. A resident of this State who has been honorably
27 discharged or released under honorable circumstances from active
28 service in any branch of the Armed Forces of the United States and
29 who has been declared by the United States Department of
30 Veterans' Affairs to have a service-connected disability, shall be
31 allowed a rebate for the tax year. The rebate amount shall be a
32 percentage of the property taxes paid by the claimant in that tax
33 year on the claimant's homestead equal to the claimant's percentage
34 of service-connected disability. The State Treasurer shall annually
35 on or before October 31 pay and distribute the amount of a rebate
36 payable to each claimant whose rebate is approved by the director.
- 37 b. In the case of a claimant living in a rental property which
38 constitutes the claimant's homestead, 18 percent of the rent paid by
39 the claimant during the tax year shall be considered property taxes
40 paid on the claimant's homestead. In the case of a claimant living in
41 a mobile home that constitutes the claimant's homestead, 18 percent
42 of the site fee paid by the claimant during the tax year to the owner
43 of the mobile home park shall be considered property taxes paid on
44 the claimant's homestead.
- 45 c. A rebate allowed pursuant to P.L. , c. (C.) (pending
46 before the Legislature as this bill) shall not exceed \$5,000. A
47 claimant with gross income for the tax year in excess of \$200,000
48 shall not be eligible for the rebate. A rebate allowed pursuant to

1 P.L. , c. (C.) (pending before the Legislature as this bill),
2 when combined with any other homestead rebates or credits, shall
3 not exceed the property taxes paid by the claimant on the claimant's
4 homestead.

5

6 3. a. No rebate shall be allowed pursuant to
7 P.L. , c. (C.) (pending before the Legislature as this bill)
8 except upon annual application, as shall be prescribed by the
9 director. The director may require a claimant for a rebate to attach
10 to the rebate application a copy of the appropriate property tax bill
11 or proof of rent paid for the prior tax year.

12 b. Upon approval of rebate applications by the director, the
13 director shall prepare lists of individuals entitled to a rebate,
14 together with the respective amounts due each claimant, and shall
15 forward those lists to the State Treasurer, the Director of the
16 Division of Budget and Accounting, and any other officials as the
17 director deems appropriate, on or before the earliest of such date or
18 dates as may be convenient for the director to compile such lists.
19 The director may inspect all records in the offices of the tax
20 collector and tax assessor of a municipality with respect to
21 applications, claims, and allowances for rebates.

22 c. If a rebate application contains a claim for a rebate that is
23 incorrectly determined by the claimant or is based upon incorrect or
24 insufficient information from which the director is to approve the
25 claim, the director may determine the eligibility of the claimant for
26 a rebate and the correct amount of a rebate to be paid to that
27 claimant from such other information as may be available to the
28 director. In addition, the director may adjust the amount of any
29 rebate to which a claimant may be entitled by any part of the
30 amount of any previous rebate erroneously claimed by and paid to
31 that claimant.

32 d. In the case of a claimant for a rebate whose homestead is a
33 unit in a cooperative, mutual housing corporation, or continuing
34 care retirement community, the director may provide that the
35 application shall include the name and address of the location of the
36 property and the amount of real property taxes attributed to the
37 cooperative, mutual housing residential unit, or continuing care
38 retirement community residential unit, as shall be indicated in an
39 official notice, which shall be furnished by the cooperative, mutual
40 housing corporation, or continuing care retirement community for
41 the same year.

42 e. A rebate shall be allowed pursuant to P.L. , c. (C.)
43 (pending before the Legislature as this bill) for a claimant whose
44 ownership of an interest in a homestead is satisfied by the holding
45 of the beneficial interest if legal title thereto or share therein is held
46 by another for the benefit of the claimant.

1 4. a. The director shall determine the amount of the rebate that
2 shall be provided for each claimant pursuant to P.L. , c. (C.)
3 (pending before the Legislature as this bill) based upon the
4 information provided by the individual applicant in the application
5 or from any other information as may be available to the director,
6 and shall notify the applicant of the determined amount in the form
7 of the rebate check or in any other manner as the director may deem
8 appropriate. Subject to the provisions of the State Uniform Tax
9 Procedure Law, R.S.54:48-1 et seq., such notification shall finally
10 and irrevocably fix the amount of the rebate unless the applicant,
11 within 90 days after having been given notice of such
12 determination, applies to the director for a hearing, or unless the
13 director re-determines the same. After such hearing the director
14 shall give notice of the final determination to the applicant.

15 b. An applicant for a rebate authorized under
16 P.L. , c. (C.) (pending before the Legislature as this bill)
17 who is aggrieved by any decision, order, finding, or denial by the
18 director of all or part of that applicant's rebate may appeal
19 therefrom to the New Jersey Tax Court in accordance with the
20 provisions of the State Uniform Tax Procedure Law, R.S. 54:48-1 et
21 seq. The appeal shall be the exclusive remedy available to an
22 applicant for review of a decision of the director in respect to the
23 determination of all or part of a rebate authorized under
24 P.L. , c. (C.) (pending before the Legislature as this bill).

25 c. A rebate paid as a result of misrepresentation or paid in
26 error, shall be payable to and recoverable by the director in the
27 same manner as a deficiency with respect to the payment of a State
28 tax in accordance with the State Uniform Tax Procedure Law,
29 R.S.54:48-1 et seq.

30
31 5. a. The tax collector of each municipality shall, on or before
32 April 1 of each year, furnish the director with a list of property
33 taxpayers in the district who are delinquent for taxes due and
34 payable for the year immediately preceding and the amounts of such
35 delinquencies. The collector shall report on such list the name, lot
36 and block number on the property tax duplicate as may be
37 applicable, and the address of each owner to whom a delinquency is
38 attributable together with the amount of such delinquency so
39 identified. No rebate payment under P.L. , c. (C.) (pending
40 before the Legislature as this bill) shall be made to a property owner
41 while that property owner's delinquency remains; provided,
42 however, that for the purposes of P.L. , c. (C.) (pending
43 before the Legislature as this bill), for an assessment on a property
44 which is on appeal and for which the statutory percentage of the tax
45 as provided in R.S.54:3-27 has been paid, the taxes assessed on that
46 property shall not be regarded as delinquent.

47 b. If the director receives the list as provided for in subsection
48 a. of this section, and the director determines that a property tax

1 delinquency remains for the preceding tax year on April 1, the
2 director shall ascertain the amount of the rebate required to be
3 withheld because of such delinquency in each municipality in the
4 State, and shall certify such amounts to the State Treasurer as soon
5 thereafter as may be practicable.

6 c. On or before November 15, the director shall notify each
7 rebate claimant whose rebate has been withheld because of
8 delinquency that the amount of the rebate to which the claimant
9 otherwise would have been entitled has been sent to the tax
10 collector in the municipality to be credited against the claimant's
11 delinquency.

12 d. Upon certification by the director as to the amount of rebates
13 required to be withheld because of delinquency in the several
14 municipalities, the State Treasurer, upon the warrant of the Director
15 of the Division of Budget and Accounting, shall pay such amount
16 on or before October 30 to the tax collector in each municipality.

17 e. The tax collector in each municipality shall credit the tax
18 delinquency of each property taxpayer who appears on the
19 delinquency list set forth in subsection a. of this section in the
20 amount that otherwise would have been returned to the property
21 taxpayer as a rebate. In the event that the amount so credited by the
22 tax collector exceeds the amount of delinquency, the tax collector
23 may return the difference to the taxpayer or credit such amount to
24 the subsequent property tax bill.

25 f. In the case of delinquency in the payment of property taxes
26 by a cooperative, mutual housing corporation, or continuing care
27 retirement community, a rebate that may be due an individual
28 resident shall be paid by the State Treasurer to the tax collector of
29 the municipality. The tax collector shall credit the cooperative,
30 mutual housing corporation, or continuing care retirement
31 community with such payment and the cooperative, mutual housing
32 corporation, or continuing care retirement community shall, in turn,
33 credit the individual unit owner to the extent of the rebate and
34 notify the applicant of the amount to be credited.

35 g. If a tax collector fails to comply with the provisions of
36 subsection a. of this section requiring the tax collector to furnish the
37 director with a list, on or before April 1 of each year, of property
38 taxpayers in the district delinquent for taxes due and payable for the
39 year immediately preceding and the amounts of such delinquencies,
40 the director shall pay the rebate directly to the delinquent applicant
41 rather than to the tax collector of the municipality as set forth in
42 subsection d. of this section.

43
44 6. The Director of the Division of Taxation in the Department of
45 the Treasury is empowered to promulgate rules and regulations in
46 accordance with the "Administrative Procedure Act," P.L.1968,
47 c.410 (C.52:14B-1 et seq.) and to prescribe forms to administer the
48 provisions of this act. Notwithstanding any provisions of P.L.1968,

1 c.410 to the contrary, the director may adopt, immediately upon
2 filing with the Office of Administrative Law, such regulations as
3 the director deems necessary to implement the provisions of
4 P.L. , c. (C.) (pending before the Legislature as this bill)
5 which regulations shall be effective for a period not to exceed 18
6 months from the date of the filing. Such regulations may thereafter
7 be amended, adopted or readopted by the director as the director
8 deems necessary in accordance with the requirements of P.L.1968,
9 c.410.

10

11 7. This act shall take effect immediately.

12

13

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STATEMENT

15

16 This bill allows veterans with a service-connected disability to
17 receive a property tax rebate from the State in proportion to the
18 percentage of their service-connected disability. The bill provides
19 property tax relief to veterans who have a disability rating of less
20 than 100 percent total and permanent disability. Veterans who have
21 a disability rating of 100 percent total and permanent disability are
22 already exempt from paying property taxes.

23 Veterans with a service-connected disability are assigned a
24 disability rating from the United States Department of Veterans'
25 Affairs. A disability rating may range from 0 percent to 100
26 percent. That rating will determine the percentage of property taxes
27 paid that the veteran will be allowed as a rebate under this bill.

28 Funding for the rebate allowed by this bill is dependent on
29 annual appropriations by the Legislature. The bill caps the rebate at
30 \$5,000 and limits availability of the rebate to veterans with gross
31 income of up to \$200,000.