

[First Reprint]

SENATE, No. 1756

STATE OF NEW JERSEY
221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:

Senator PAUL D. MORIARTY

District 4 (Atlantic, Camden and Gloucester)

Senator CARMEN F. AMATO, JR.

District 9 (Ocean)

SYNOPSIS

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

CURRENT VERSION OF TEXT

As reported by the Senate Community and Urban Affairs Committee on January 30, 2025, with amendments.



(Sponsorship Updated As Of: 9/12/2024)

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

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

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

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

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

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

41 "Dwelling house" means any residential property assessed as real
42 property which consists of not more than four units, of which not
43 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:

¹Senate SCU committee amendments adopted January 30, 2025.

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

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

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

38 "Homestead" means:

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

43 a site in a mobile home park equipped for the installation of
44 manufactured or mobile homes, where these sites are under
45 common ownership and control for the purpose of leasing each site
46 to the owner of a manufactured or mobile home for the installation
47 thereof and such site is used by the eligible claimant as the eligible
48 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
12 (42 U.S.C. s.5401 et seq.) and the standards promulgated for a
13 manufactured or mobile home by the commissioner pursuant to the
14 "State Uniform Construction Code Act," P.L.1975, c.217
15 (C.52:27D-119 et seq.).

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

25 (1) The construction and maintenance of streets;

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

27 (3) Garbage removal;

28 (4) Snow removal; and

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

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

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

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

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

47 "Property tax" means the general property tax due and paid as set
48 forth in this section, and shall include the amount of property tax

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

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

16 "Tax year" means the calendar year in which a homestead is
 17 assessed and the property tax is levied thereon and it means the
 18 calendar year in which income is received or accrued.】¹

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

20

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

23 1. As used in P.L.1997, c.348 (C.54:4-8.67 et seq.):

24 "Base year" means, in the case of a person who is an eligible
 25 claimant on or before December 31, 1997, the tax year 1997; and in
 26 the case of a person who first becomes an eligible claimant after
 27 December 31, 1997, the tax year in which the person first becomes an
 28 eligible claimant. In the case of an eligible claimant who subsequently
 29 moves from the homestead for which the initial eligibility was
 30 established, the base year shall be the first full tax year prior to the
 31 year during which the person resides in the new homestead.

32 **【**Provided however, a base year for an eligible claimant after such a
 33 move shall not apply to tax years commencing prior to January 1,
 34 2009.】 If the current homestead constitutes new construction, then the
 35 base year shall be deemed to be the first full tax year following
 36 completion of the new construction. In the case of an eligible claimant
 37 who receives a Stay NJ property tax credit in lieu of a homestead
 38 property tax reimbursement pursuant to section 4 of P.L.2023, c.75
 39 (C.54:4-8.75d), the base year of that eligible claimant shall remain
 40 unchanged.

41 "Commissioner" means the Commissioner of Community Affairs.

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

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

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

1 housing owned or leased by the corporation or association, or to lease
2 or purchase a unit of housing constructed or to be constructed by the
3 corporation or association.

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

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

14 "Eligible claimant" means a person who:

15 is 65 or more years of age on or before December 31 of any tax
16 year for which a homestead property tax reimbursement is sought or
17 who is a disabled person;

18 is an owner of a homestead or the lessee of a site in a mobile home
19 park on which site the applicant owns a manufactured or mobile home
20 for the entire tax year for which a homestead property tax
21 reimbursement is sought;

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

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

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

39 has, for at least three calendar years, including the entire tax year
40 for which a homestead property tax reimbursement is sought, owned
41 and resided in the homestead for which a homestead property tax
42 reimbursement is sought prior to the date that an initial application for
43 a homestead property tax reimbursement is filed. A person who has
44 been an eligible claimant for a previous tax year shall qualify as an
45 eligible claimant **【beginning the second full tax year】** immediately
46 following a move to another homestead in New Jersey, despite not
47 meeting the three-year minimum residency and ownership requirement
48 required for initial claimants under this paragraph, provided that the

1 person satisfies the income eligibility limits for the tax year. Provided,
2 however, that immediate eligibility **【beginning in a second full tax**
3 **year】** after such a move shall not apply to tax years commencing prior
4 to **【January 1, 2010】** the first full tax year next following the effective
5 date of P.L. , c. (pending before the Legislature as this bill).

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 domicile
9 and is owned and used by the eligible claimant as the eligible
10 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 common
13 ownership and control for the purpose of leasing each site to the owner
14 of a manufactured or mobile home for the installation thereof and such
15 site is used by the eligible claimant as the eligible claimant's principal
16 residence;

17 a dwelling house situated on land owned by a person other than the
18 eligible claimant which constitutes the place of the eligible claimant's
19 domicile and is owned and used by the eligible claimant as the eligible
20 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 of
23 the eligible claimant's domicile and is owned and used by the eligible
24 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 if
27 that person is a tenant for life or a tenant under a lease for 99 years or
28 more, is entitled to and actually takes possession of the homestead
29 under an executory contract for the sale thereof or under an agreement
30 with a lending institution which holds title as security for a loan, or is a
31 resident of a continuing care retirement community pursuant to a
32 contract for continuing care for the life of that person which requires
33 the resident to bear, separately from any other charges, the
34 proportionate share of property taxes attributable to the unit that the
35 resident occupies;

36 a unit in a cooperative or mutual housing corporation which
37 constitutes the place of domicile of a residential shareholder or lessee
38 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 constituting
43 property tax due and paid in any year on any homestead, exclusive of
44 improvements not included in the assessment on the real property for
45 the base year, and the amount of property tax or site fee constituting
46 property tax due and paid in the base year, when the amount paid in
47 the base year is the lower amount, but such calculations shall be
48 reduced by any current year property tax reductions or reductions in

1 site fees constituting property taxes resulting from judgments entered
2 by county boards of taxation or the State Tax Court. When an eligible
3 claimant did not occupy the homestead as a principle residence in the
4 base year but occupied another homestead in the base year, and then
5 moved from that former homestead into the current homestead, the
6 payment shall be based on the property taxes assessed on the current
7 homestead for the claimant's base year, even though the claimant did
8 not occupy the current homestead as a principle residence at that time.

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

12 "Income" means all New Jersey gross income required to be
13 reported pursuant to the "New Jersey Gross Income Tax Act,"
14 N.J.S.54A:1-1 et seq., before the application of any authorized
15 exclusion or deduction, except also including: interest income
16 excluded from taxation pursuant to N.J.S.54A:6-14; pension and
17 annuity income excluded from taxation pursuant to N.J.S.54A:6-10;
18 income derived from distributions from, or roll over to, a Roth IRA
19 excluded from taxation pursuant to N.J.S.54A:6-28; other retirement
20 income excluded from taxation pursuant to N.J.S.54A:6-15; and Social
21 Security income excluded from taxation pursuant to N.J.S.54A:6-2, as
22 self-reported by the homeowner.

23 "Manufactured home" or "mobile home" means a unit of housing
24 which:

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

28 (2) Is built on a permanent chassis;

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

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

39 "Mobile home park" means a parcel of land, or two or more
40 parcels of land, containing no fewer than 10 sites equipped for the
41 installation of manufactured or mobile homes, where these sites are
42 under common ownership and control for the purpose of leasing each
43 site to the owner of a manufactured or mobile home for the installation
44 thereof and where the owner or owners provide services, which are
45 provided by the municipality in which the park is located for property
46 owners outside the park, which services may include but shall not be
47 limited to:

48 (1) The construction and maintenance of streets;

- 1 (2) Lighting of streets and other common areas;
2 (3) Garbage removal;
3 (4) Snow removal; and
4 (5) Provisions for the drainage of surface water from home sites
5 and common areas.

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

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

15 "Principal residence" means a homestead actually and continually
16 occupied by an eligible claimant as his or her permanent residence, as
17 distinguished from a vacation home, property owned and rented or
18 offered for rent by the claimant, and other secondary real property
19 holdings.

20 "Property tax" means the general property tax due and paid as set
21 forth in this section, and shall include the amount of property tax credit
22 as defined in section 1 of P.L.2018, c.11 (C.54:4-66.6), on a
23 homestead, but does not include special assessments and interest and
24 penalties for delinquent taxes. For the sole purpose of qualifying for a
25 benefit under P.L.1997, c.348 (C.54:4-8.67 et seq.), property taxes
26 paid by June 1 of the year following the year for which the benefit is
27 claimed will be deemed to be timely paid. In the case of an eligible
28 claimant who moves to a homestead after establishing a base year at
29 another homestead, the property tax shall include any amount of the
30 general property tax due and paid for the tax year by the previous
31 owner of the homestead, provided that the eligible claimant resides in
32 the homestead on December 31 of the tax year for which the
33 homestead property tax reimbursement is being claimed.

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

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

39 (cf: P.L.2024, c.88, s.16)

40

41 2. This act shall take effect immediately.