

SENATE, No. 2716

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED FEBRUARY 15, 2024

Sponsored by:

Senator JAMES W. HOLZAPFEL

District 10 (Monmouth and Ocean)

Senator KRISTIN M. CORRADO

District 40 (Bergen, Essex and Passaic)

SYNOPSIS

Increases income eligibility limit for homestead property tax reimbursement program.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 2/15/2024)

S2716 HOLZAPFEL, CORRADO

2

1 AN ACT increasing income qualification limits for the homestead
2 property tax reimbursement program, amending P.L.1997, c.348.

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

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7 1. Section 1 of P.L.1997, c.348 (C.54:4-8.67) is amended to read
8 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 year
17 during which the person resides in the new homestead. Provided
18 however, a base year for an eligible claimant after such a move shall
19 not apply to tax years commencing prior to January 1, 2009.

20 "Commissioner" means the Commissioner of Community Affairs.

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

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

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

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

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

41 "Eligible claimant" means a person who:

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

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

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

9 has an annual income of \$60,000 or less in tax year 2007, \$70,000
10 or less in tax year 2008, **【or】** \$80,000 or less in tax **【year】** years 2009
11 through 2020, or \$160,000 or less in tax year 2021, if single or
12 married, which income eligibility limits shall be subject to
13 adjustments in subsequent tax years pursuant to section 9 of
14 P.L.1997, c.348 (C.54:4-8.68);

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

32 "Homestead" means:

33 a dwelling house and the land on which that dwelling house is
34 located which constitutes the place of the eligible claimant's domicile
35 and is owned and used by the eligible claimant as the eligible
36 claimant's principal residence;

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

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

47 a condominium unit or a unit in a horizontal property regime or a
48 continuing care retirement community which constitutes the place of

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

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

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

19 "Homestead property tax reimbursement" means payment of the
20 difference between the amount of property tax or site fee constituting
21 property tax due and paid in any year on any homestead, exclusive of
22 improvements not included in the assessment on the real property for
23 the base year, and the amount of property tax or site fee constituting
24 property tax due and paid in the base year, when the amount paid in
25 the base year is the lower amount; but such calculations shall be
26 reduced by any current year property tax reductions or reductions in
27 site fees constituting property taxes resulting from judgments entered
28 by county boards of taxation or the State Tax Court.

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

32 "Manufactured home" or "mobile home" means a unit of housing
33 which:

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

37 (2) Is built on a permanent chassis;

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

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

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

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

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

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

24 "Principal residence" means a homestead actually and continually
25 occupied by an eligible claimant as his or her permanent residence,
26 as distinguished from a vacation home, property owned and rented or
27 offered for rent by the claimant, and other secondary real property
28 holdings.

29 "Property tax" means the general property tax due and paid as set
30 forth in this section, and shall include the amount of property tax
31 credit as defined in section 1 of P.L.2018, c.11 (C.54:4-66.6), on a
32 homestead, but does not include special assessments and interest and
33 penalties for delinquent taxes. For the sole purpose of qualifying for
34 a benefit under P.L.1997, c.348 (C.54:4-8.67 et seq.), property taxes
35 paid by June 1 of the year following the year for which the benefit is
36 claimed will be deemed to be timely paid.

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

39 "Tax year" means the calendar year in which a homestead is
40 assessed and the property tax is levied thereon and it means the
41 calendar year in which income is received or accrued.

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

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44 2. This act shall take effect immediately.

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STATEMENT

This bill would increase the income eligibility limits for the homestead property tax reimbursement program, also commonly known as the senior and disabled citizens' property tax freeze program, to \$160,000 beginning in tax year 2021.

The homestead property tax reimbursement program provides certain senior and disabled homeowners a reimbursement of any annual increase in property taxes above the amount of the tax liability for the year in which the homeowner became eligible for the program.

The program applies to anyone who:

- is 65 or more years of age, or who is a disabled person;
- is an owner of a homestead or leases a site in a mobile home park on which site the person owns a manufactured or mobile home;
- has an annual income below the amount specified in the law governing the program; and
- has paid property taxes directly, or through rent, on any homestead or rental unit used as a principal residence in this State for at least 10 consecutive years, at least three of which were as owner of the homestead for which a reimbursement is first sought, or after moving to another homestead in New Jersey, in the full second tax year after moving.

Under the bill, the income eligibility limits for the program will increase to \$160,000 in tax year 2021 for single claimants and for married couples. The income limit for tax year 2020 was \$92,969. This increase in the income limits will allow additional citizens to benefit from the program, which effectively holds qualified participants harmless from property tax increases on their homestead after establishing their "base year" liability for the tax.