

# 54:4-8.82

## LEGISLATIVE HISTORY CHECKLIST

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**LAWS OF:** 2008                    **CHAPTER:** 119  
**NJSA:** 54:4-8.82            (Increases income eligibility limit for homestead property tax reimbursement program)  
**BILL NO:** A3460            (Substituted for S2/S2326)

**SPONSOR(S):** Moriarty and others

**DATE INTRODUCED:** November 13, 2008

**COMMITTEE:**            **ASSEMBLY:** Appropriations

**SENATE:**

**AMENDED DURING PASSAGE:** No

**DATE OF PASSAGE:**            **ASSEMBLY:** November 17, 2008

**SENATE:** November 24, 2008

**DATE OF APPROVAL:** December 18, 2008

**FOLLOWING ARE ATTACHED IF AVAILABLE:**

[FINAL TEXT OF BILL](#) (Original version of bill enacted)

**A3460**

**[SPONSOR'S STATEMENT:](#)** (Begins on page 6 of original bill) [Yes](#)

**COMMITTEE STATEMENT:**                    **[ASSEMBLY:](#)** [Yes](#)

**SENATE:** No

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at [www.njleg.state.nj.us](http://www.njleg.state.nj.us))

**FLOOR AMENDMENT STATEMENT:** No

**[LEGISLATIVE FISCAL NOTE:](#)** [Yes](#)

**S2/S2326**

**[SPONSOR'S STATEMENT \(S2\):](#)** (Begins on page 6 of original bill) [Yes](#)

**[SPONSOR'S STATEMENT \(S2326\)](#)** (Begins on page 6 of original bill) [Yes](#)

**COMMITTEE STATEMENT:**                    **ASSEMBLY:** No

**[SENATE:](#)** [Yes](#)

**FLOOR AMENDMENT STATEMENT:** No

**[LEGISLATIVE FISCAL NOTE:](#)** [Yes](#)

**VETO MESSAGE:** No

**GOVERNOR'S PRESS RELEASE ON SIGNING:**

Yes

**FOLLOWING WERE PRINTED:**

To check for circulating copies, contact New Jersey State Government Publications at the State Library (609) 278-2640 ext. 103 or <mailto:refdesk@njstatelib.org>

**REPORTS:** No

**HEARINGS:** No

**NEWSPAPER ARTICLES:** Yes

"Corzine extends tax relief to about 70,000 more seniors," Courier News, 12-19-08, p. A-2

"More elderly will get rebate checks," Asbury Park Press, 12-19-08, p. A3

"New law expands senior tax freeze," Gloucester County Times, 12-19-08, p. A1

"More aid for seniors – Corzine signs bill to widen eligibility for tax rebates," The Record, 12-19-09, p. L01

LAW/IS 3/10/09

P.L. 2008, CHAPTER 119, *approved December 18, 2008*  
Assembly, No. 3460

1 **AN ACT** concerning income qualification limits for the homestead  
2 property tax reimbursement program, amending P.L.1997, c.348,  
3 and supplementing Title 54 of the Revised Statutes.

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

7  
8 1. Section 1 of P.L.1997, c.348 (C.54:4-8.67) is amended to read  
9 as follows:

10 1. As used in this act:

11 "Base year" means, in the case of a person who is an eligible  
12 claimant on or before December 31, 1997, the tax year 1997; and in  
13 the case of a person who first becomes an eligible claimant after  
14 December 31, 1997, the tax year in which the person first becomes  
15 an eligible claimant.

16 "Commissioner" means the Commissioner of Health and Senior  
17 Services.

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

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

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

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

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

38 "Eligible claimant" means a person who:

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

**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 an owner of a homestead, or the lessee of a site in a mobile  
2 home park on which site the applicant owns a manufactured or  
3 mobile home;

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

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

17 as a renter or homeowner, has made a long-term contribution to  
18 the fabric, social structure and finances of one or more communities  
19 in this State, as demonstrated through the payment of property taxes  
20 directly, or through rent, on any homestead or rental unit used as a  
21 principal residence in this State for at least 10 consecutive years at  
22 least three of which as owner of the homestead for which a  
23 homestead property tax reimbursement is sought prior to the date  
24 that an application for a homestead property tax reimbursement is  
25 filed.

26 "Homestead" means:

27 a dwelling house and the land on which that dwelling house is  
28 located which constitutes the place of the eligible claimant's  
29 domicile and is owned and used by the eligible claimant as the  
30 eligible claimant's principal residence;

31 a site in a mobile home park equipped for the installation of  
32 manufactured or mobile homes, where these sites are under  
33 common ownership and control for the purpose of leasing each site  
34 to the owner of a manufactured or mobile home for the installation  
35 thereof and such site is used by the eligible claimant as the eligible  
36 claimant's principal residence;

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

41 a condominium unit or a unit in a horizontal property regime or a  
42 continuing care retirement community which constitutes the place  
43 of the eligible claimant's domicile and is owned and used by the  
44 eligible claimant as the eligible claimant's principal residence.

45 In addition to the generally accepted meaning of "owned" or  
46 "ownership," a homestead shall be deemed to be owned by a person  
47 if that person is a tenant for life or a tenant under a lease for 99  
48 years or more, is entitled to and actually takes possession of the

1 homestead under an executory contract for the sale thereof or under  
2 an agreement with a lending institution which holds title as security  
3 for a loan, or is a resident of a continuing care retirement  
4 community pursuant to a contract for continuing care for the life of  
5 that person which requires the resident to bear, separately from any  
6 other charges, the proportionate share of property taxes attributable  
7 to the unit that the resident occupies;

8 a unit in a cooperative or mutual housing corporation which  
9 constitutes the place of domicile of a residential shareholder or  
10 lessee therein, or of a lessee or shareholder who is not a residential  
11 shareholder therein, which is used by the eligible claimant as the  
12 eligible claimant's principal residence.

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

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

27 "Manufactured home" or "mobile home" means a unit of  
28 housing which:

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

32 (2) Is built on a permanent chassis;

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

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

43 "Mobile home park" means a parcel of land, or two or more  
44 parcels of land, containing no fewer than 10 sites equipped for the  
45 installation of manufactured or mobile homes, where these sites are  
46 under common ownership and control for the purpose of leasing  
47 each site to the owner of a manufactured or mobile home for the  
48 installation thereof, and where the owner or owners provide

1 services, which are provided by the municipality in which the park  
2 is located for property owners outside the park, which services may  
3 include but shall not be limited to:

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

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

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

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

23 "Property tax" means the general property tax due and paid as set  
24 forth in this section, on a homestead, but does not include special  
25 assessments and interest and penalties for delinquent taxes. For the  
26 sole purpose of qualifying for a benefit under P.L.1997, c.348  
27 (C.54:4-8.67 et seq.), property taxes paid by June 1 of the year  
28 following the year for which the benefit is claimed will be deemed  
29 to be timely paid.

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

32 "Tax year" means the calendar year in which a homestead is  
33 assessed and the property tax is levied thereon and it means the  
34 calendar year in which income is received or accrued.

35 (cf: P.L.2001, c.251, s.1)

36

37 2. (New section) Notwithstanding any other provision of law  
38 to the contrary, for tax year 2008 and all subsequent tax years, the  
39 total amount of rebates, credits, deductions, or exemptions received  
40 by a taxpayer, or on behalf of the taxpayer, for a tax year pursuant  
41 to the "Homestead Property Tax Credit Act," sections 1 through 10  
42 of P.L.1990, c.61 (C.54:4-8.57 through 54:4-8.66) and sections 3,  
43 14 through 16, 18 and 19 of P.L.1999, c.63 (C.54:4-8.58a and  
44 C.54:4-8.66a through C.54:4-8.66e); the homestead property tax  
45 reimbursement program, P.L.1997, c.348 (C.54:4-8.67 et seq.); the  
46 annual veterans deduction, P.L.1963, c.171 (C.54:4-8.10 et seq.); or  
47 the property tax deduction for senior citizens and disabled persons,  
48 P.L.1963, c.172 (C.54:4-8.40 et seq.) may not exceed the total

1 amount of property taxes or rent constituting property taxes and site  
2 fee constituting property tax paid by the taxpayer for the taxpayer's  
3 residence for the same tax year.

4

5 3. This act shall take effect immediately.

6

7

8

STATEMENT

9

10 This bill increases the income eligibility limits for the homestead  
11 property tax reimbursement program beginning in tax year 2007 for  
12 certain qualified senior and disabled homeowners. This program  
13 provides reimbursement of property tax increases to eligible  
14 citizens. The bill provides that beginning with tax year 2008 a  
15 property taxpayer cannot receive reimbursements, rebates, credits,  
16 deductions, or exemptions of property taxes under certain property  
17 tax relief laws in amounts exceeding the amount of property taxes  
18 that the taxpayer paid for the taxpayer's residence for the same year.

19 Under the bill, the income eligibility limits will increase from  
20 \$45,135, if single, and \$55,344 (combined income) for married  
21 couples to \$60,000 in tax year 2007; to \$70,000 in tax year 2008;  
22 and to \$80,000 in tax year 2009, whether single or married. This  
23 increase in the income limits will ensure that additional seniors will  
24 benefit from this program.

25

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27

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29 \_\_\_\_\_  
30 Increases income eligibility limit for homestead property tax  
reimbursement program.

# ASSEMBLY, No. 3460

## STATE OF NEW JERSEY 213th LEGISLATURE

INTRODUCED NOVEMBER 13, 2008

**Sponsored by:**

**Assemblyman PAUL D. MORIARTY**

**District 4 (Camden and Gloucester)**

**Assemblywoman JOAN M. VOSS**

**District 38 (Bergen)**

**Assemblywoman LINDA R. GREENSTEIN**

**District 14 (Mercer and Middlesex)**

**Assemblywoman SANDRA LOVE**

**District 4 (Camden and Gloucester)**

**Assemblywoman NELLIE POU**

**District 35 (Bergen and Passaic)**

**Assemblyman PATRICK J. DIEGNAN, JR.**

**District 18 (Middlesex)**

**Co-Sponsored by:**

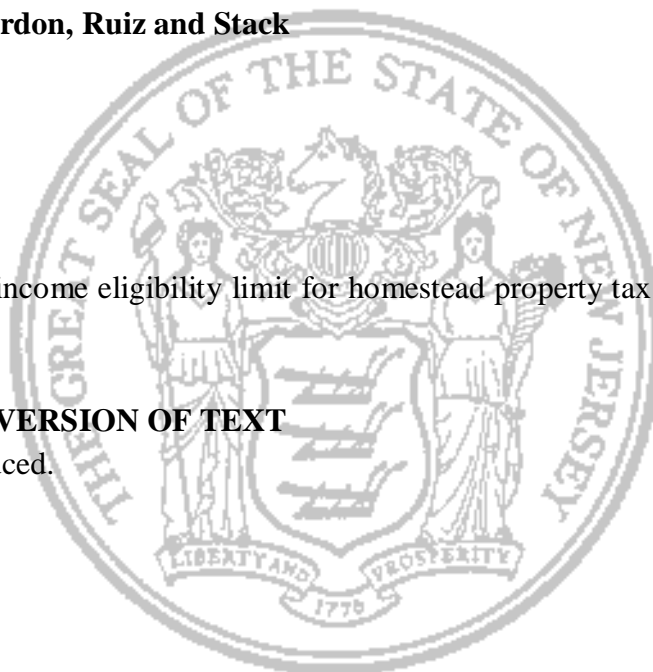
**Assemblyman Vas, Assemblywoman Evans, Assemblymen Cryan, L.Smith, Greenwald, Chiappone, Senators Redd, Turner, Madden, Allen, Girgenti, Gordon, Ruiz and Stack**

**SYNOPSIS**

Increases income eligibility limit for homestead property tax reimbursement program.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 11/25/2008)**



A3460 MORIARTY, VOSS

2

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2 property tax reimbursement program, amending P.L.1997, c.348,  
3 and supplementing Title 54 of the Revised Statutes.

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15 an eligible claimant.

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17 Services.

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

19 "Condominium" means the form of real property ownership  
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21 (C.46:8B-1 et seq.).

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

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

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34 property which consists of not more than four units, of which not  
35 more than one may be used for commercial purposes, but shall not  
36 include a unit in a condominium, cooperative, horizontal property  
37 regime or mutual housing corporation.

38 "Eligible claimant" means a person who:

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

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

43 has an annual income of less than \$17,918 in tax year 1998, less  
44 than \$18,151 in tax year 1999, or less than \$37,174 in tax year  
45 2000, if single, or, if married, whose annual income combined with

**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 that of the spouse is less than \$21,970 in tax year 1998, less than  
2 \$22,256 in tax year 1999, or less than \$45,582 in tax year 2000,  
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4 be subject to adjustments in **【subsequent】** tax years 2001 through  
5 2006 pursuant to section 9 of P.L.1997, c.348 (C.54:4-8.68);

6 has an annual income of \$60,000 or less in tax year 2007,  
7 \$70,000 or less in tax year 2008, or \$80,000 or less in tax year  
8 2009, if single or married, which income eligibility limits shall be  
9 subject to adjustments in subsequent tax years pursuant to section 9  
10 of P.L.1997, c.348 (C.54:4-8.68);

11 as a renter or homeowner, has made a long-term contribution to  
12 the fabric, social structure and finances of one or more communities  
13 in this State, as demonstrated through the payment of property taxes  
14 directly, or through rent, on any homestead or rental unit used as a  
15 principal residence in this State for at least 10 consecutive years at  
16 least three of which as owner of the homestead for which a  
17 homestead property tax reimbursement is sought prior to the date  
18 that an application for a homestead property tax reimbursement is  
19 filed.

20 "Homestead" means:

21 a dwelling house and the land on which that dwelling house is  
22 located which constitutes the place of the eligible claimant's  
23 domicile and is owned and used by the eligible claimant as the  
24 eligible claimant's principal residence;

25 a site in a mobile home park equipped for the installation of  
26 manufactured or mobile homes, where these sites are under  
27 common ownership and control for the purpose of leasing each site  
28 to the owner of a manufactured or mobile home for the installation  
29 thereof and such site is used by the eligible claimant as the eligible  
30 claimant's principal residence;

31 a dwelling house situated on land owned by a person other than  
32 the eligible claimant which constitutes the place of the eligible  
33 claimant's domicile and is owned and used by the eligible claimant  
34 as the eligible claimant's principal residence;

35 a condominium unit or a unit in a horizontal property regime or a  
36 continuing care retirement community which constitutes the place  
37 of the eligible claimant's domicile and is owned and used by the  
38 eligible claimant as the eligible claimant's principal residence.

39 In addition to the generally accepted meaning of "owned" or  
40 "ownership," a homestead shall be deemed to be owned by a person  
41 if that person is a tenant for life or a tenant under a lease for 99  
42 years or more, is entitled to and actually takes possession of the  
43 homestead under an executory contract for the sale thereof or under  
44 an agreement with a lending institution which holds title as security  
45 for a loan, or is a resident of a continuing care retirement  
46 community pursuant to a contract for continuing care for the life of  
47 that person which requires the resident to bear, separately from any

1 other charges, the proportionate share of property taxes attributable  
2 to the unit that the resident occupies;

3 a unit in a cooperative or mutual housing corporation which  
4 constitutes the place of domicile of a residential shareholder or  
5 lessee therein, or of a lessee or shareholder who is not a residential  
6 shareholder therein, which is used by the eligible claimant as the  
7 eligible claimant's principal residence.

8 "Homestead property tax reimbursement" means payment of the  
9 difference between the amount of property tax or site fee  
10 constituting property tax due and paid in any year on any  
11 homestead, exclusive of improvements not included in the  
12 assessment on the real property for the base year, and the amount of  
13 property tax or site fee constituting property tax due and paid in the  
14 base year, when the amount paid in the base year is the lower  
15 amount; but such calculations shall be reduced by any current year  
16 property tax reductions or reductions in site fees constituting  
17 property taxes resulting from judgments entered by county boards  
18 of taxation or the State Tax Court.

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20 ownership provided for under the "Horizontal Property Act,"  
21 P.L.1963, c.168 (C.46:8A-1 et seq.).

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23 housing which:

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

27 (2) Is built on a permanent chassis;

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

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

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

47 (1) The construction and maintenance of streets;

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

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

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

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

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

18 "Property tax" means the general property tax due and paid as set  
19 forth in this section, on a homestead, but does not include special  
20 assessments and interest and penalties for delinquent taxes. For the  
21 sole purpose of qualifying for a benefit under P.L.1997, c.348  
22 (C.54:4-8.67 et seq.), property taxes paid by June 1 of the year  
23 following the year for which the benefit is claimed will be deemed  
24 to be timely paid.

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

27 "Tax year" means the calendar year in which a homestead is  
28 assessed and the property tax is levied thereon and it means the  
29 calendar year in which income is received or accrued.

30 (cf: P.L.2001, c.251, s.1)

31

32 2. (New section) Notwithstanding any other provision of law  
33 to the contrary, for tax year 2008 and all subsequent tax years, the  
34 total amount of rebates, credits, deductions, or exemptions received  
35 by a taxpayer, or on behalf of the taxpayer, for a tax year pursuant  
36 to the "Homestead Property Tax Credit Act," sections 1 through 10  
37 of P.L.1990, c.61 (C.54:4-8.57 through 54:4-8.66) and sections 3,  
38 14 through 16, 18 and 19 of P.L.1999, c.63 (C.54:4-8.58a and  
39 C.54:4-8.66a through C.54:4-8.66e); the homestead property tax  
40 reimbursement program, P.L.1997, c.348 (C.54:4-8.67 et seq.); the  
41 annual veterans deduction, P.L.1963, c.171 (C.54:4-8.10 et seq.); or  
42 the property tax deduction for senior citizens and disabled persons,  
43 P.L.1963, c.172 (C.54:4-8.40 et seq.) may not exceed the total  
44 amount of property taxes or rent constituting property taxes and site  
45 fee constituting property tax paid by the taxpayer for the taxpayer's  
46 residence for the same tax year.

47

48 3. This act shall take effect immediately.

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STATEMENT

This bill increases the income eligibility limits for the homestead property tax reimbursement program beginning in tax year 2007 for certain qualified senior and disabled homeowners. This program provides reimbursement of property tax increases to eligible citizens. The bill provides that beginning with tax year 2008 a property taxpayer cannot receive reimbursements, rebates, credits, deductions, or exemptions of property taxes under certain property tax relief laws in amounts exceeding the amount of property taxes that the taxpayer paid for the taxpayer's residence for the same year.

Under the bill, the income eligibility limits will increase from \$45,135, if single, and \$55,344 (combined income) for married couples to \$60,000 in tax year 2007; to \$70,000 in tax year 2008; and to \$80,000 in tax year 2009, whether single or married. This increase in the income limits will ensure that additional seniors will benefit from this program.

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

### ASSEMBLY, No. 3460

# STATE OF NEW JERSEY

DATED: NOVEMBER 13, 2008

The Assembly Appropriations Committee reports favorably Assembly Bill No. 3460.

The bill increases the income eligibility limits for the homestead property tax reimbursement program beginning in tax year 2007 for certain qualified senior and disabled homeowners. This program provides reimbursement of property tax increases to eligible citizens. The bill provides that beginning with tax year 2008 a property taxpayer cannot receive reimbursements, rebates, credits, deductions, or exemptions of property taxes under certain property tax relief laws in amounts exceeding the amount of property taxes that the taxpayer paid for the taxpayer's residence for the same year.

Under the bill, the income eligibility limits will increase from \$45,135, if single, and \$55,344 (combined income) for married couples to \$60,000 in tax year 2007; to \$70,000 in tax year 2008; and to \$80,000 in tax year 2009, whether single or married. This increase in the income limits will ensure that additional seniors will benefit from this program.

#### FISCAL IMPACT:

According to the Department of the Treasury, there are currently 132,000 recipients of this reimbursement program. In the first year, (tax year 2008, State FY 2010), there will be 15,000 new recipients at a cost of less than \$5 million; in the second year, (tax year 2009, State FY 2011), a cost of \$14 million; and, in the third year, (tax year 2010, State FY 2012), a cost of \$32 million.

**FISCAL NOTE**  
**ASSEMBLY, No. 3460**  
**STATE OF NEW JERSEY**  
**213th LEGISLATURE**

DATED: NOVEMBER 20, 2008

**SUMMARY**

- Synopsis:** Increases income eligibility limit for homestead property tax reimbursement program.
- Type of Impact:** Increases expenditures from Property Tax Relief Fund.
- Agencies Affected:** Department of the Treasury, Division of Taxation.

**Executive Estimate**

<b>Fiscal Impact</b>	<b><u>Fiscal Year 2010</u></b>	<b><u>Fiscal Year 2011</u></b>	<b><u>Fiscal Year 2012</u></b>
<b>State Cost</b>	\$5 million	\$14 million	\$32 million

- The Office of Legislative Services (OLS) **concurs** with the Executive estimate.
- The Department of the Treasury has indicated that the increases in the income eligibility limits for the homestead property tax reimbursement program proposed in the bill will result in increased expenditures from the Property Tax Relief Fund. In the first year (tax year 2008, State FY 2010), the costs will be less than \$5 million; in the second year (tax year 2009, State FY 2011), the additional costs will be \$14 million; and in the third year (tax year 2010, State FY 2012), the additional costs are estimated to be \$32 million.
- The Department of the Treasury has also indicated that the increases in the income eligibility limits proposed in the bill will add 15,000 new recipients in FY 2010, an additional 26,000 new recipients in FY 2011, and 27,000 more recipients in FY 2012. The total increase in the number of homestead property tax reimbursement recipients would be approximately 68,000 over three years.

**BILL DESCRIPTION**

Assembly Bill No. 3460 of 2008 increases the income eligibility limits for the homestead property tax reimbursement program beginning in tax year 2007 for certain qualified senior and disabled homeowners. Under the bill, the income eligibility limits would increase from the current limits \$45,135 for single persons and \$55,344 (combined income) for married and civil union couples in the current to \$60,000 in tax year 2007, to \$70,000 in tax year 2008, and to

\$80,000 in tax year 2009. The new income limits will apply to single persons and married and civil union couples alike.

The bill also provides that beginning with tax year 2008 a property taxpayer cannot receive reimbursements, rebates, credits, deductions, or exemptions of property taxes in amounts greater than the amount of property taxes that the taxpayer paid for the taxpayer's residence for the same year.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

The Department of the Treasury has indicated that the increases in the income eligibility limits for the homestead property tax reimbursement program will result in increased expenditures from the Property Tax Relief Fund. In the first year (tax year 2008, State FY 2010), the additional costs will be less than \$5 million; in the second year (tax year 2009, State FY 2011), the additional costs will be \$14 million; and in the third year (tax year 2010, State FY 2012), the additional costs are estimated to be \$32 million. The department has also indicated that the increases in the income eligibility will add 15,000 new recipients in FY 2010 an additional 26,000 new recipients in FY 2011 and 27,000 more recipients in FY 2012. The total increase in the number of homestead property tax reimbursement recipients would be approximately 68,000 over three years.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS **concurs** with the Executive estimate. The OLS notes that the average benefit for a new participant in Fiscal Year 2010 would be about \$333. The OLS does not have sufficient information to determine the average benefit of new and repeat participants in Fiscal Years 2011 and 2012, nor does it have data to determine the number of taxpayers that enter and leave the homestead property tax reimbursement program from year-to-year. The OLS has examined actual and estimated program evaluation data compiled in the Fiscal Year 2009 budget and agrees that the Executive Branch estimates are plausible.

*Section:* Local Government

*Analyst:* Scott A. Brodsky  
Assistant Fiscal Analyst

*Approved:* David J. Rosen  
Legislative Budget and Finance Officer

This fiscal note has been prepared pursuant to P.L. 1980, c.67 (C. 52:13B-1 et seq.).



# SENATE, No. 2

## STATE OF NEW JERSEY 213th LEGISLATURE

INTRODUCED OCTOBER 27, 2008

**Sponsored by:**

**Senator DANA L. REDD**

**District 5 (Camden and Gloucester)**

**Senator FRED H. MADDEN, JR.**

**District 4 (Camden and Gloucester)**

**SYNOPSIS**

Increases income eligibility limit for homestead property tax reimbursement program.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 11/14/2008)**

S2 REDD, MADDEN

2

1 AN ACT concerning income qualification limits for the homestead  
2 property tax reimbursement program, amending P.L.1997, c.348,  
3 and supplementing Title 54 of the Revised Statutes.

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

7  
8 1. Section 1 of P.L.1997, c.348 (C.54:4-8.67) is amended to read  
9 as follows:

10 1. As used in this act:

11 "Base year" means, in the case of a person who is an eligible  
12 claimant on or before December 31, 1997, the tax year 1997; and in  
13 the case of a person who first becomes an eligible claimant after  
14 December 31, 1997, the tax year in which the person first becomes  
15 an eligible claimant.

16 "Commissioner" means the Commissioner of Health and Senior  
17 Services.

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

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

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

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

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

38 "Eligible claimant" means a person who:

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

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

43 has an annual income of less than \$17,918 in tax year 1998, less  
44 than \$18,151 in tax year 1999, or less than \$37,174 in tax year  
45 2000, if single, or, if married, whose annual income combined with

**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 that of the spouse is less than \$21,970 in tax year 1998, less than  
2 \$22,256 in tax year 1999, or less than \$45,582 in tax year 2000,  
3 which income eligibility limits for single and married persons shall  
4 be subject to adjustments in **【subsequent】** tax years 2001 through  
5 2006 pursuant to section 9 of P.L.1997, c.348 (C.54:4-8.68);

6 has an annual income of \$60,000 or less in tax year 2007,  
7 \$70,000 or less in tax year 2008, or \$80,000 or less in tax year  
8 2009, if single or married, which income eligibility limits shall be  
9 subject to adjustments in subsequent tax years pursuant to section 9  
10 of P.L.1997, c.348 (C.54:4-8.68);

11 as a renter or homeowner, has made a long-term contribution to  
12 the fabric, social structure and finances of one or more communities  
13 in this State, as demonstrated through the payment of property taxes  
14 directly, or through rent, on any homestead or rental unit used as a  
15 principal residence in this State for at least 10 consecutive years at  
16 least three of which as owner of the homestead for which a  
17 homestead property tax reimbursement is sought prior to the date  
18 that an application for a homestead property tax reimbursement is  
19 filed.

20 "Homestead" means:

21 a dwelling house and the land on which that dwelling house is  
22 located which constitutes the place of the eligible claimant's  
23 domicile and is owned and used by the eligible claimant as the  
24 eligible claimant's principal residence;

25 a site in a mobile home park equipped for the installation of  
26 manufactured or mobile homes, where these sites are under  
27 common ownership and control for the purpose of leasing each site  
28 to the owner of a manufactured or mobile home for the installation  
29 thereof and such site is used by the eligible claimant as the eligible  
30 claimant's principal residence;

31 a dwelling house situated on land owned by a person other than  
32 the eligible claimant which constitutes the place of the eligible  
33 claimant's domicile and is owned and used by the eligible claimant  
34 as the eligible claimant's principal residence;

35 a condominium unit or a unit in a horizontal property regime or a  
36 continuing care retirement community which constitutes the place  
37 of the eligible claimant's domicile and is owned and used by the  
38 eligible claimant as the eligible claimant's principal residence.

39 In addition to the generally accepted meaning of "owned" or  
40 "ownership," a homestead shall be deemed to be owned by a person  
41 if that person is a tenant for life or a tenant under a lease for 99  
42 years or more, is entitled to and actually takes possession of the  
43 homestead under an executory contract for the sale thereof or under  
44 an agreement with a lending institution which holds title as security  
45 for a loan, or is a resident of a continuing care retirement  
46 community pursuant to a contract for continuing care for the life of  
47 that person which requires the resident to bear, separately from any

S2 REDD, MADDEN

1 other charges, the proportionate share of property taxes attributable  
2 to the unit that the resident occupies;

3 a unit in a cooperative or mutual housing corporation which  
4 constitutes the place of domicile of a residential shareholder or  
5 lessee therein, or of a lessee or shareholder who is not a residential  
6 shareholder therein, which is used by the eligible claimant as the  
7 eligible claimant's principal residence.

8 "Homestead property tax reimbursement" means payment of the  
9 difference between the amount of property tax or site fee  
10 constituting property tax due and paid in any year on any  
11 homestead, exclusive of improvements not included in the  
12 assessment on the real property for the base year, and the amount of  
13 property tax or site fee constituting property tax due and paid in the  
14 base year, when the amount paid in the base year is the lower  
15 amount; but such calculations shall be reduced by any current year  
16 property tax reductions or reductions in site fees constituting  
17 property taxes resulting from judgments entered by county boards  
18 of taxation or the State Tax Court.

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

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

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

27 (2) Is built on a permanent chassis;

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

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

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

47 (1) The construction and maintenance of streets;

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

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

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

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

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

18 "Property tax" means the general property tax due and paid as set  
19 forth in this section, on a homestead, but does not include special  
20 assessments and interest and penalties for delinquent taxes. For the  
21 sole purpose of qualifying for a benefit under P.L.1997, c.348  
22 (C.54:4-8.67 et seq.), property taxes paid by June 1 of the year  
23 following the year for which the benefit is claimed will be deemed  
24 to be timely paid.

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

27 "Tax year" means the calendar year in which a homestead is  
28 assessed and the property tax is levied thereon and it means the  
29 calendar year in which income is received or accrued.

30 (cf: P.L.2001, c.251, s.1)

31

32 2. (New section) Notwithstanding any other provision of law to  
33 the contrary, the total amount of rebates, credits, deductions, or  
34 exemptions received by a taxpayer, or on behalf of the taxpayer, for  
35 a tax year pursuant to the "Homestead Property Tax Credit Act,"  
36 sections 1 through 10 of P.L.1990, c.61 (C.54:4-8.57 through 54:4-  
37 8.66) and sections 3, 14 through 16, 18 and 19 of P.L.1999, c.63  
38 (C.54:4-8.58a and C.54:4-8.66a through C.54:4-8.66e); the  
39 homestead property tax reimbursement program, P.L.1997, c.348  
40 (C.54:4-8.67 et seq.); the annual veterans deduction, P.L.1963,  
41 c.171 (C.54:4-8.10 et seq.); the property tax deduction for senior  
42 citizens and disabled persons, P.L.1963, c.172 (C.54:4-8.40 et seq.),  
43 or any other property tax relief program may not exceed the total  
44 amount of property taxes paid by the taxpayer for the taxpayer's  
45 residence for the same tax year.

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47 3. This act shall take effect immediately.

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STATEMENT

This bill increases the income eligibility limits for the homestead property tax reimbursement program beginning in tax year 2007 for certain qualified senior and disabled homeowners. This program provides reimbursement of property tax increases to eligible citizens. The bill provides that a property taxpayer cannot claim reimbursements, rebates, credits, deductions, or exemptions of property taxes in amounts exceeding the amount of property taxes that the taxpayer paid for the taxpayer's residence for the same year.

Under the bill, the income eligibility limits will increase from \$45,135, if single, and \$55,344 (combined income) for married couples, in tax year 2007, to \$60,000 in tax year 2007, to \$70,000 in tax year 2008, and to \$80,000 in tax year 2009, whether single or married. This increase in the income limits will ensure that additional seniors will benefit from this program.

# SENATE, No. 2326

## STATE OF NEW JERSEY 213th LEGISLATURE

INTRODUCED OCTOBER 27, 2008

**Sponsored by:**

**Senator SHIRLEY K. TURNER**

**District 15 (Mercer)**

**Senator FRED H. MADDEN, JR.**

**District 4 (Camden and Gloucester)**

**SYNOPSIS**

Increases income eligibility limit for homestead property tax reimbursement program.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 11/14/2008)**

S2326 TURNER, MADDEN

2

1 AN ACT concerning income qualification limits for the homestead  
2 property tax reimbursement program, amending P.L.1997, c.348,  
3 and supplementing Title 54 of the Revised Statutes.

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

7  
8 1. Section 1 of P.L.1997, c.348 (C.54:4-8.67) is amended to read  
9 as follows:

10 1. As used in this act:

11 "Base year" means, in the case of a person who is an eligible  
12 claimant on or before December 31, 1997, the tax year 1997; and in  
13 the case of a person who first becomes an eligible claimant after  
14 December 31, 1997, the tax year in which the person first becomes  
15 an eligible claimant.

16 "Commissioner" means the Commissioner of Health and Senior  
17 Services.

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

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

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

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

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

38 "Eligible claimant" means a person who:

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

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

43 has an annual income of less than \$17,918 in tax year 1998, less  
44 than \$18,151 in tax year 1999, or less than \$37,174 in tax year

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

7 has an annual income of \$60,000 or less in tax year 2007,  
8 \$70,000 or less in tax year 2008, or \$80,000 or less in tax year  
9 2009, if single or married, which income eligibility limits shall be  
10 subject to adjustments in subsequent tax years pursuant to section 9  
11 of P.L.1997, c.348 (C.54:4-8.68);

12 as a renter or homeowner, has made a long-term contribution to  
13 the fabric, social structure and finances of one or more communities  
14 in this State, as demonstrated through the payment of property taxes  
15 directly, or through rent, on any homestead or rental unit used as a  
16 principal residence in this State for at least 10 consecutive years at  
17 least three of which as owner of the homestead for which a  
18 homestead property tax reimbursement is sought prior to the date  
19 that an application for a homestead property tax reimbursement is  
20 filed.

21 "Homestead" means:

22 a dwelling house and the land on which that dwelling house is  
23 located which constitutes the place of the eligible claimant's  
24 domicile and is owned and used by the eligible claimant as the  
25 eligible claimant's principal residence;

26 a site in a mobile home park equipped for the installation of  
27 manufactured or mobile homes, where these sites are under  
28 common ownership and control for the purpose of leasing each site  
29 to the owner of a manufactured or mobile home for the installation  
30 thereof and such site is used by the eligible claimant as the eligible  
31 claimant's principal residence;

32 a dwelling house situated on land owned by a person other than  
33 the eligible claimant which constitutes the place of the eligible  
34 claimant's domicile and is owned and used by the eligible claimant  
35 as the eligible claimant's principal residence;

36 a condominium unit or a unit in a horizontal property regime or a  
37 continuing care retirement community which constitutes the place  
38 of the eligible claimant's domicile and is owned and used by the  
39 eligible claimant as the eligible claimant's principal residence.

40 In addition to the generally accepted meaning of "owned" or  
41 "ownership," a homestead shall be deemed to be owned by a person  
42 if that person is a tenant for life or a tenant under a lease for 99  
43 years or more, is entitled to and actually takes possession of the  
44 homestead under an executory contract for the sale thereof or under  
45 an agreement with a lending institution which holds title as security  
46 for a loan, or is a resident of a continuing care retirement  
47 community pursuant to a contract for continuing care for the life of  
48 that person which requires the resident to bear, separately from any

1 other charges, the proportionate share of property taxes attributable  
2 to the unit that the resident occupies;

3 a unit in a cooperative or mutual housing corporation which  
4 constitutes the place of domicile of a residential shareholder or  
5 lessee therein, or of a lessee or shareholder who is not a residential  
6 shareholder therein, which is used by the eligible claimant as the  
7 eligible claimant's principal residence.

8 "Homestead property tax reimbursement" means payment of the  
9 difference between the amount of property tax or site fee  
10 constituting property tax due and paid in any year on any  
11 homestead, exclusive of improvements not included in the  
12 assessment on the real property for the base year, and the amount of  
13 property tax or site fee constituting property tax due and paid in the  
14 base year, when the amount paid in the base year is the lower  
15 amount; but such calculations shall be reduced by any current year  
16 property tax reductions or reductions in site fees constituting  
17 property taxes resulting from judgments entered by county boards  
18 of taxation or the State Tax Court.

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

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

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

27 (2) Is built on a permanent chassis;

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

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

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

47 (1) The construction and maintenance of streets;

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

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

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

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

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

18 "Property tax" means the general property tax due and paid as set  
19 forth in this section, on a homestead, but does not include special  
20 assessments and interest and penalties for delinquent taxes. For the  
21 sole purpose of qualifying for a benefit under P.L.1997, c.348  
22 (C.54:4-8.67 et seq.), property taxes paid by June 1 of the year  
23 following the year for which the benefit is claimed will be deemed  
24 to be timely paid.

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

27 "Tax year" means the calendar year in which a homestead is  
28 assessed and the property tax is levied thereon and it means the  
29 calendar year in which income is received or accrued.

30 (cf: P.L.2001, c.251, s.1)

31

32 2. (New section) Notwithstanding any other provision of law to  
33 the contrary, the total amount of rebates, credits, deductions, or  
34 exemptions received by a taxpayer, or on behalf of the taxpayer, for  
35 a tax year pursuant to the "Homestead Property Tax Credit Act,"  
36 sections 1 through 10 of P.L.1990, c.61 (C.54:4-8.57 through 54:4-  
37 8.66) and sections 3, 14 through 16, 18 and 19 of P.L.1999, c.63  
38 (C.54:4-8.58a and C.54:4-8.66a through C.54:4-8.66e); the  
39 homestead property tax reimbursement program, P.L.1997, c.348  
40 (C.54:4-8.67 et seq.); the annual veterans deduction, P.L.1963,  
41 c.171 (C.54:4-8.10 et seq.); the property tax deduction for senior  
42 citizens and disabled persons, P.L.1963, c.172 (C.54:4-8.40 et seq.),  
43 or any other property tax relief program may not exceed the total  
44 amount of property taxes paid by the taxpayer for the taxpayer's  
45 residence for the same tax year.

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47 3. This act shall take effect immediately.

STATEMENT

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This bill increases the income eligibility limits for the homestead property tax reimbursement program beginning in tax year 2007 for certain qualified senior and disabled homeowners. This program provides reimbursement of property tax increases to eligible citizens. The bill provides that a property taxpayer cannot claim reimbursements, rebates, credits, deductions, or exemptions of property taxes in amounts exceeding the amount of property taxes that the taxpayer paid for the taxpayer's residence for the same year.

Under the bill, the income eligibility limits will increase from \$45,135, if single, and \$55,344 (combined income) for married couples, in tax year 2007, to \$60,000 in tax year 2007, to \$70,000 in tax year 2008, and to \$80,000 in tax year 2009, whether single or married. This increase in the income limits will ensure that additional seniors will benefit from this program.

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### SENATE COMMITTEE SUBSTITUTE FOR **SENATE, Nos. 2 and 2326**

# **STATE OF NEW JERSEY**

DATED: NOVEMBER 13, 2008

The Senate Budget and Appropriations Committee reports favorably a Senate Committee Substitute for Senate Bill Nos. 2 and 2326.

The Senate Committee Substitute for Senate Bill Nos. 2 and 2326 increases the income eligibility limits for the homestead property tax reimbursement program beginning in tax year 2007 for certain qualified senior and disabled homeowners. This program provides reimbursement of property tax increases to eligible citizens. The bill provides that beginning with tax year 2008 a property taxpayer cannot receive reimbursements, rebates, credits, deductions, or exemptions of property taxes under certain property tax relief laws in amounts exceeding the amount of property taxes that the taxpayer paid for the taxpayer's residence for the same year.

Under the bill, the income eligibility limits will increase from \$45,135, if single, and \$55,344 (combined income) for married couples to \$60,000 in tax year 2007; to \$70,000 in tax year 2008; and to \$80,000 in tax year 2009, whether single or married. This increase in the income limits will ensure that additional seniors will benefit from this program.

As reported, this Senate Committee Substitute is identical to Assembly Bill No. 3460.

#### FISCAL IMPACT:

According to the Department of the Treasury, there are currently 132,000 recipients of this reimbursement program. In the first year, (tax year 2008, State FY 2010), there will be 15,000 new recipients at a cost of less than \$5 million; in the second year, (tax year 2009, State FY 2011), a cost of \$14 million; and, in the third year, (tax year 2010, State FY 2012), a cost of \$32 million.

**FISCAL NOTE**  
**SENATE, No. 2**  
**STATE OF NEW JERSEY**  
**213th LEGISLATURE**

DATED: NOVEMBER 12, 2008

**SUMMARY**

**Synopsis:** Increases eligibility limit for homestead property tax reimbursement program.

**Type of Impact:** Increases expenditures from Property Tax Relief Fund.

**Agencies Affected:** Department of the Treasury, Division of Taxation

**Executive Estimate**

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
<b>State Cost</b>	\$5 million	\$14 million	\$32 million

- The Office of Legislative Services (OLS) **concurs** with the Executive estimate.
- The Department of the Treasury has indicated that the increases in the income eligibility limits for the homestead property tax reimbursement program will result in increased expenditures from the Property Tax Relief Fund. In the first year (tax year 2008, State FY 2010), the costs will be less than \$5 million; in the second year (tax year 2009, State FY 2011), the total costs will be \$14 million; and in the third year (tax year 2010, State FY 2012), the total costs are estimated to be \$32 million.
- The Treasury Department has also indicated that the increases in the income eligibility will add 15,000 new recipients in FY 2010 an additional 26,000 new recipients in FY 2011 and 27,000 more recipients in FY 2012. The total increase in the number of homestead property tax reimbursement recipients is about 68,000 over three years.

**BILL DESCRIPTION**

Senate Bill No. 2 of 2008 increases the income eligibility limits for the homestead property tax reimbursement program beginning in tax year 2007 for certain qualified senior and disabled homeowners. Under the bill, the income eligibility limits increase from \$45,135 for single persons and \$55,344 (combined income) for married and civil union couples in the current year

to \$60,000 in tax year 2007, to \$70,000 in tax year 2008, and to \$80,000 in tax year 2009. The new income limits will apply to single persons and married and civil union couples alike.

The bill provides that a property taxpayer cannot claim reimbursements, rebates, credits, deductions, or exemptions of property taxes in amounts greater than the amount of property taxes that the taxpayer paid for the taxpayer's residence for the same year. Commonly known as the "Senior Freeze," the homestead property tax reimbursement program provides reimbursement of property tax increases, compared to a "base year," to eligible residents.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

The Department of the Treasury has indicated that the increases in the income eligibility limits for the homestead property tax reimbursement program will result in increased expenditures from the Property Tax Relief Fund. In the first year (tax year 2008, State FY 2010), the costs will be less than \$5 million; in the second year (tax year 2009, State FY 2011), the total costs will be \$14 million; and in the third year (tax year 2010, State FY 2012), the total costs are estimated to be \$32 million. The Treasury Department has also indicated that the increases in the income eligibility will add 15,000 new recipients in FY 2010 an additional 26,000 new recipients in FY 2011 and 27,000 more recipients in FY 2012. The total increase in the number of homestead property tax reimbursement recipients is about 68,000 over three years.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS concurs with the Executive estimate. The OLS notes that the property tax reimbursement program compensates eligible senior citizens and disabled persons for property tax increases. The amount of the reimbursement is the difference between the amount of property taxes that were due and paid in the "base year," usually the taxpayer's first year of eligibility, and the amount due and paid in the current year for which the property taxpayer is claiming the reimbursement, provided the amount paid the current year was greater. A property taxpayer may be eligible for a reimbursement if he or she meets all of the following requirements for the base year and for each succeeding year, up to and including the year for which they are claiming the reimbursement:

1. The claimant is age 65 or older or receiving federal Social Security benefits; and
2. The claimant has lived in New Jersey continuously for at least the last 10 years, as either a homeowner or a renter; and
3. The claimant has owned and lived in their home (or have leased a site in a mobile home park on which the claimant has placed a manufactured or mobile home that they own) for at least the last 3 years; and
4. The claimant has paid the full amount of property taxes (or site fees if they are a mobile home owner) that were due on their home for the base year and for each succeeding year, up to and including the year for which they are claiming the reimbursement; and
5. The claimant meets the income limits for the base year and for each succeeding year, up to and including the year for which they are claiming the reimbursement.

The OLS notes that the deadline for filing the 2007 homestead property tax reimbursement application was extended from June 2, 2008 to October 31, 2008.

*Section: Local Government*

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Legislative Budget and Finance Officer*

This fiscal note has been prepared pursuant to P.L. 1980, c.67 (C. 52:13B-1 et seq.).



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JON S. CORZINE  
*Governor*

**For Immediate Release: For More Information:**

**Date:** December 18, 2008                      Robert Corrales

**Phone:** 609-777-2600

Governor Corzine Signs Legislation Expanding New Jersey Freeze Program

**Cliffside Park** – Another key element of New Jersey’s economic assistance and recovery package was implemented today as Governor Jon S. Corzine signed into law an expansion of the Senior Freeze Program, which will deliver property tax reimbursement checks averaging up to \$1,000 for eligible senior and disabled residents. The Governor signed the legislation, A-3460/ S-2, at Cliffside Park Senior Activities Center following an AARP Teletown Hall meeting.

“We know the national recession has placed a tremendous burden on so many of New Jersey’s senior citizens, particularly those living on a fixed income,” Governor Corzine said. “The expansion of the Senior Freeze Program means more seniors will have assistance with blunting the economic impact of local property taxes. This additional property tax relief comes at just the right time for our seniors.”

The expansion of the Senior Freeze Program significantly increases income eligibility limits for seniors and disabled citizens over the next three years from its current ceiling of approximately \$53,000. Under the new law, income limits

will increase to \$60,000 for tax year 2007, \$70,000 for tax year 2008 and \$80,000 in tax year 2009.

“Making it easier for senior citizens and disabled homeowners to take advantage of this property tax relief will help ensure the global economic crisis doesn’t force residents on fixed incomes out of their homes,” said Assemblyman Paul Moriarty (D-Camden, Gloucester), a primary sponsor of the bill. “Seniors and disabled residents on fixed incomes are bearing the brunt of higher costs on everything from utilities to groceries to gas. Providing these households a property tax cut is the right thing to do to ensure they can stay in their homes.”

Those qualified are directly reimbursed by the State for the difference between the amount of local property taxes paid in the “base year,” (the year applicants became eligible and first filed for the program) and the amount of property taxes paid for the reimbursement year.

“Senior citizens who have given their lives and energy to New Jersey deserve all the help we can give them,” said Assemblywoman Joan Voss (D-Bergen). “Many already have a tough enough time staying in their homes, and this global crisis isn’t making things any easier.”

Another sponsor, Assemblywoman Linda Greenstein (D-Mercer, Middlesex) said, “The global economic crisis has hit hard, which is particularly painful for those on fixed incomes. Property tax relief remains a top priority, and this help will prove crucial to many.”

There are currently 132,000 recipients in the State who meet the specific income, residency and home ownership eligibility criteria for this program. Fully phased in over the next three fiscal years, the expanded program would add approximately 70,000 eligible seniors. This represents those who would be new to the program, as well as those who previously received senior freeze checks but lost eligibility because their income exceeded the original cap.

“Being an advocate for freezing property taxes since I began office, this legislation is a step in the right direction,” said Senator Fred H. Madden, Jr., (D-Camden, Gloucester). “With the rising cost of healthcare and medications, the expansion of this program will provide the inclusion of more seniors and help provide much needed relief due to the rising costs of property taxes.”

“The increase of income eligibility limits would ensure that even more seniors in need will benefit from this program,” said Senator Shirley Turner (D-Mercer). “New Jersey suffers a cost of living crisis and the old income standards don’t meet the basic need of our citizens.”

With today’s enactment, the Division of Taxation will begin to identify applicants who become eligible under the new provision and will mail out applications sometime around the beginning of the new year. Senior and disabled residents will be asked to submit their applications to Taxation by March 31, 2009.

“The residents of New Jersey, especially those on fixed income, are in need of some financial relief during these tough economic times,” said Senator Dana Redd, (D-Camden, Gloucester). “We need to do something to help lift the financial burden off our seniors who are already struggling to afford their basic needs. This measure will go a long way to help keep our elderly resident in their homes.”

The cost of the program expansion is estimated at less than \$5 million in FY 10, \$14 million in FY 11 and \$32 million in FY 12.

“AARP applauds Governor Corzine for his efforts to attend to those who are the most vulnerable in our state during this difficult economic downturn,” said Sy Larson, AARP New Jersey State President. “The Governor and our state legislature are showing true leadership in this time of need and we look forward to their continuing efforts to assist those in New Jersey who need help the most.”

In the Assembly, primary sponsors of the bill included Assemblymen Paul D. Moriarty (D-Camden, Gloucester) and Patrick J. Diegnan, Jr., (D-Middlesex) and Assemblywomen Joan M. Voss (D-Bergen), Linda R. Greenstein (D-Mercer, Middlesex), Sandra Love (D-Camden, Gloucester), and Nellie Pou (D-Bergen, Passaic). Primary sponsors of the legislation in the Senate were Senators, Dana L. Redd (D-Camden, Gloucester), Shirley K. Turner (D-Mercer) and Fred

H. Madden, Jr. (D-Camden, Gloucester).

###

Photos from Governor Corzine's public events are available  
in the Governor's Newsroom section on the State of New Jersey web page, <http://www.nj.gov/governor/news/>

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