

## CHAPTER 119

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

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

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

C.54:4-8.67 Definitions relative to homestead property tax reimbursement.

1. As used in this act:

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

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

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

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

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

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

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

"Eligible claimant" means a person who:

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

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

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

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

as a renter or homeowner, has made a long-term contribution to the fabric, social structure and finances of one or more communities in this State, as demonstrated through the payment of 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 as owner of the homestead for which a homestead property tax reimbursement is sought prior to the date that an application for a homestead property tax reimbursement is filed.

"Homestead" means:

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

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

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

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

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

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

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

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

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

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

(2) Is built on a permanent chassis;

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

(4) Is manufactured in accordance with the standards promulgated for a manufactured home by the Secretary of the United States Department of Housing and Urban Development pursuant to the "National Manufactured Housing Construction and Safety Standards Act of

1974," Pub.L.93-383 (42 U.S.C.s.5401 et seq.) and the standards promulgated for a manufactured or mobile home by the commissioner pursuant to the "State Uniform Construction Code Act," P.L.1975, c.217 (C.52:27D-119 et seq.).

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

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

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

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

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

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

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

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

C.54:4-8.82 Limitation on amount of deductions.

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

3. This act shall take effect immediately.

Approved December 18, 2008.