

SENATE, No. 1501

STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED FEBRUARY 10, 2022

Sponsored by:

Senator VIN GOPAL

District 11 (Monmouth)

Senator JEAN STANFIELD

District 8 (Atlantic, Burlington and Camden)

Co-Sponsored by:

Senator Diegnan

SYNOPSIS

Converts senior freeze reimbursement program into credit program.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/26/2022)

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2

1 AN ACT concerning the homestead property tax reimbursement
2 program and amending P.L.1997, c.348.

3

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

6

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

9 1. As used in **[this act]** P.L.1997, c.348 (C.54:4-8.67 et seq.):

10 "Base year" means, in the case of a person who is an eligible
11 claimant on or before December 31, 1997, the tax year 1997; and in
12 the case of a person who first becomes an eligible claimant after
13 December 31, 1997, the tax year in which the person first becomes
14 an eligible claimant. In the case of an eligible claimant who
15 subsequently moves from the homestead for which the initial
16 eligibility was established, the base year shall be the first full tax
17 year during which the person resides in the new homestead.
18 Provided however, a base year for an eligible claimant after such a
19 move shall not apply to tax years commencing prior to January 1,
20 2009.

21 "Commissioner" means the Commissioner of Community
22 Affairs.

23 **["Director" means the Director of the Division of Taxation.]**

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

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

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

34 "Disabled person" means an individual receiving monetary
35 payments pursuant to Title II of the federal Social Security Act (42
36 U.S.C. s.401 et seq.) on December 31, 1998, or on December 31 in
37 all or any part of the year for which a homestead property tax
38 **[reimbursement]** freeze benefit under **[this act]** P.L.1997, c.348
39 (C.54:4-8.67 et seq.) is claimed.

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

45 "Eligible claimant" means a person who:

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.

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1 is 65 or more years of age, or who is a disabled person;
2 is an owner of a homestead, or the lessee of a site in a mobile
3 home park on which site the applicant owns a manufactured or
4 mobile home;
5 has an annual income of less than \$17,918 in tax year 1998, less
6 than \$18,151 in tax year 1999, or less than \$37,174 in tax year
7 2000, if single, or, if married, whose annual income combined with
8 that of the spouse is less than \$21,970 in tax year 1998, less than
9 \$22,256 in tax year 1999, or less than \$45,582 in tax year 2000,
10 which income eligibility limits for single and married persons shall
11 be subject to adjustments in tax years 2001 through 2006 pursuant
12 to section 9 of P.L.1997, c.348 (C.54:4-8.68);
13 has an annual income of \$60,000 or less in tax year 2007,
14 \$70,000 or less in tax year 2008, or \$80,000 or less in tax year
15 2009, if single or married, which income eligibility limits shall be
16 subject to adjustments in subsequent tax years pursuant to section 9
17 of P.L.1997, c.348 (C.54:4-8.68);
18 as a renter or homeowner, has made a long-term contribution to
19 the fabric, social structure and finances of one or more communities
20 in this State, as demonstrated through the payment of property taxes
21 directly, or through rent, on any homestead or rental unit used as a
22 principal residence in this State for at least 10 consecutive years at
23 least three of which as owner of the homestead for which a
24 homestead property tax **[reimbursement]** freeze benefit is sought
25 prior to the date that an initial application for a homestead property
26 tax **[reimbursement]** freeze benefit is filed. A person who has been
27 an eligible claimant for a previous tax year shall qualify as an
28 eligible claimant beginning the second full tax year following a
29 move to another homestead in New Jersey, despite not meeting the
30 three-year minimum residency and ownership requirement required
31 for initial claimants under this paragraph; provided that the person
32 satisfies the income eligibility limits for the tax year. Provided
33 however, eligibility beginning in a second full tax year after such a
34 move shall not apply to tax years commencing prior to January 1,
35 2010.
36 "Homestead" means:
37 a dwelling house and the land on which that dwelling house is
38 located which constitutes the place of the eligible claimant's
39 domicile and is owned and used by the eligible claimant as the
40 eligible claimant's principal residence;
41 a site in a mobile home park equipped for the installation of
42 manufactured or mobile homes, where these sites are under
43 common ownership and control for the purpose of leasing each site
44 to the owner of a manufactured or mobile home for the installation
45 thereof and such site is used by the eligible claimant as the eligible
46 claimant's principal residence;
47 a dwelling house situated on land owned by a person other than
48 the eligible claimant which constitutes the place of the eligible

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

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

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

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

23 "Homestead property tax **[reimbursement]** freeze benefit"
24 means payment to a municipality with respect to an eligible
25 claimant's homestead or to an eligible claimant, as applicable, of
26 the difference between the amount of property tax or site fee
27 constituting property tax due and paid in any year on **[any]** that
28 homestead, exclusive of improvements not included in the
29 assessment on the real property for the base year, and the amount of
30 property tax or site fee constituting property tax due and paid in the
31 base year, when the amount paid in the base year is the lower
32 amount; but such calculations shall be reduced by any current year
33 property tax reductions or reductions in site fees constituting
34 property taxes resulting from judgments entered by county boards
35 of taxation or the State Tax Court.

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

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

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

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

46 (2) Is built on a permanent chassis;

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

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

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

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

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

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

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

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

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

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

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

5
6 2. Section 2 of P.L.1997, c.348 (C.54:4-8.69) is amended to
7 read as follows:

8 2. Every eligible claimant shall be entitled to **【reimbursement】**
9 a homestead property tax freeze benefit for each year subsequent to
10 the base year and annually thereafter, on proper claim being made
11 therefor to the director **【,** to a homestead property tax
12 reimbursement**】**. The amount of the homestead property tax
13 **【reimbursement】** freeze benefit shall not be reduced by the amount
14 of the deductions taken by the eligible claimant pursuant to
15 P.L.1963, c.171 (C.54:4-8.10 **【to 54:4-8.23】** et seq.) and
16 **【P.L.1964, c.255 (C.54:4-8.40 to 54:4-8.45 et al.)】** P.L.1963, c.172
17 (C.54:4-8.40 et seq.). The surviving spouse of a deceased resident
18 of this State who during his or her life received a homestead
19 property tax reimbursement or freeze benefit pursuant to P.L.1997,
20 c.348 (C.54:4-8.67 et seq.) shall be entitled, so long as he or she
21 remains a resident in the same homestead with respect to which the
22 homestead property tax reimbursement or freeze benefit was
23 granted, and so long as he or she is an eligible claimant, to the same
24 homestead property tax **【reimbursement】** freeze benefit that the
25 deceased resident would have been entitled to if that resident had
26 survived, upon the same conditions, with respect to the same
27 homestead.

28 (cf: P.L.1999, c.63, s.17)

29
30 3. Section 3 of P.L.1997, c.348 (C.54:4-8.70) is amended to
31 read as follows:

32 3. a. An application for a homestead property tax
33 **【reimbursement】** freeze benefit hereunder shall be filed with the
34 director annually beginning April 1 and ending October 31 of the
35 tax year following the year for which the claim is being made and
36 shall reflect the prerequisites for a homestead property tax
37 **【reimbursement】** freeze benefit on December 31 of the tax year for
38 which the claim is being made; provided, however, that the director
39 may, by rule, designate a later date as the date by which the
40 application shall be filed or waive the requirement for filing an
41 annual application for any year or years subject to any limitations
42 and conditions the director may deem appropriate. The director
43 shall, for good cause shown, extend the time of any applicant to file
44 a claim for a homestead property tax freeze benefit for a reasonable
45 period. In such case, the director shall process the application and
46 pay the homestead property tax freeze benefit in accordance with
47 the procedures established in the case of applications timely filed,

1 except that the director may delay the date for payment of the credit
2 or rebate for a reasonable period.

3 For the purposes of this subsection, in order to establish good
4 cause to extend the time of any applicant to file a claim for a
5 homestead property tax freeze benefit the applicant shall provide to
6 the director either: (1) medical evidence, such as a doctor's
7 certification, that the applicant was unable to file the claim by the
8 date prescribed by the director because of illness or hospitalization,
9 or (2) evidence that the applicant attempted to file a timely
10 application. Except as may be established by medical evidence of
11 inability to file a claim, good cause shall not be established due to
12 an eligible claimant not having received an application from the
13 director.

14 b. The application shall be on a form prescribed by the director
15 and provided for the use of applicants hereunder. [Each] The
16 director may require that each applicant making a claim for a
17 homestead property tax [reimbursement] freeze benefit under [this
18 act shall] P.L.1997, c.348 (C.54:4-8.67 et seq.) provide [, if
19 required by the director,] to the director a copy of his or her current
20 year property tax bill or current year site fee bill on the homestead
21 constituting that person's principal residence and a copy of his or
22 her property tax bill for the base year or site fee bill for the base
23 year on the same homestead, or other equivalent proof as permitted
24 by the director. In the case of an eligible claimant for a homestead
25 property tax freeze benefit whose homestead is a unit in a
26 cooperative, mutual housing corporation, or continuing care
27 retirement community, the director may provide that the application
28 shall include the name and address of the property and the amount
29 of real property taxes attributed to the cooperative, mutual housing
30 corporation, or continuing care retirement community unit, as shall
31 be indicated in an official notice which shall be furnished by the
32 cooperative, mutual housing corporation, or continuing care
33 retirement community for the same year.

34 c. Upon approval of homestead property tax freeze benefit
35 applications by the director, the director shall prepare lists of
36 individuals entitled to credits, together with the respective amounts
37 due each eligible claimant, and shall forward such lists to the State
38 Treasurer, the Director of the Division of Budget and Accounting,
39 and any other officials as the director deems appropriate on or
40 before the earliest of the date or dates as may be convenient for the
41 director to compile the lists. The director may inspect all records in
42 the offices of the tax collector and tax assessor of a municipality
43 with respect to applications, claims, and allowances for homestead
44 property tax freeze benefits.

45 d. It shall be the duty of every eligible claimant to inform the
46 director of any change in his or her status or homestead which may

1 affect his or her right to continuance of the homestead property tax
2 **[reimbursement]** freeze benefit.

3 e. If an eligible claimant receives an additional homestead
4 property tax **[reimbursement]** freeze benefit to which the claimant
5 was not entitled or greater than the **[reimbursement]** benefit to
6 which the claimant was entitled, the director shall permit the
7 claimant to enter into an installment payment agreement for a
8 reasonable period of time that will enable the claimant to
9 completely satisfy the amount of the **[reimbursement]** benefit paid
10 to which the claimant was not entitled. If the claimant does not
11 enter into an installment payment agreement, the director may, in
12 addition to all other available legal remedies, offset such amount
13 against a gross income tax refund or amount due pursuant to
14 P.L.1990, c.61.

15 (cf: P.L.2017, c.370, s.1)

16

17 4. Section 4 of P.L.1997, c.348 (C.54:4-8.71) is amended to
18 read as follows:

19 4. a. The director shall administer the homestead property tax
20 **[reimbursement]** freeze benefit program. **[A payment for the**
21 **homestead property tax reimbursement amount, as calculated by the**
22 **director, shall be mailed to each person determined by the director**
23 **to be an eligible claimant under this act on or before July 15, 1999**
24 **and July 15 annually thereafter, except that the payment of any**
25 **homestead property tax reimbursement amount for an eligible**
26 **claimant whose application is filed during the period May 1 through**
27 **June 1 shall be mailed on or before September 1 annually. Provided**
28 **further, however, that the payment of any homestead property tax**
29 **reimbursement amount for an eligible claimant whose application is**
30 **filed during a period after June 1 pursuant to an extended**
31 **application deadline as may be designated by the director shall be**
32 **mailed on or before such latter mailing date as the director may**
33 **determine]**

34 b. A homestead property tax freeze benefit allowed by the
35 director for an eligible claimant, whose homestead is not a unit in a
36 cooperative, mutual housing corporation, or continuing care
37 retirement community, shall be paid by the State Treasurer, upon
38 certification of the director and upon warrant of the Director of the
39 Division of Budget and Accounting, through electronic funds
40 transfers made by the director to the local property tax account
41 maintained by the local tax collector for the homestead of the
42 claimant as the claimant shall identify, in equal installments after
43 the application for the benefit has been approved, at the dates and in
44 the manner as the director shall determine to best coincide with the
45 next following local property tax quarterly due dates of August 1
46 and November 1; provided, however, that a homestead property tax
47 freeze benefit owing pursuant to this subsection shall be paid and

1 distributed as a rebate if the director is unable to ensure that the
2 benefit will be applied to the appropriate taxpayer. Notice of
3 payments of credit installments shall be provided to the claimant
4 and the appropriate local tax collector.

5 c. A homestead property tax freeze benefit allowed by the
6 director for an eligible claimant, whose homestead is a unit in a
7 cooperative, mutual housing corporation, or continuing care
8 retirement community, shall be paid by the State Treasurer, upon
9 certification of the director and upon warrant of the Director of the
10 Division of Budget and Accounting, as a rebate distributed to the
11 claimant after the application for the benefit has been approved, at
12 the dates and in the manner as the director shall determine, on or
13 before October 31.

14 d. All payments made pursuant to this section shall be
15 appropriated from receipts in the Casino Revenue Fund.

16 (cf: P.L.2003, c.30, s.2)

17

18 5. Section 5 of P.L.1997, c.348 (C.54:4-8.72) is amended to
19 read as follows:

20 5. a. When title to a homestead as to which a homestead
21 property tax **【reimbursement】** freeze benefit is claimed is held by
22 an eligible claimant and another or others, either as tenants in
23 common or as joint tenants, the eligible claimant shall not be
24 allowed a homestead property tax **【reimbursement】** freeze benefit
25 in an amount in excess of his or her proportionate share of the taxes
26 assessed against the homestead, which proportionate share, for the
27 purposes of **【this act】** P.L.1997, c.348 (C.54:4-8.67 et seq.), shall
28 be deemed to be equal to that of each of the other tenants, unless it
29 is shown that the interests in question are not equal, in which event
30 the eligible claimant's proportionate share shall be as shown.
31 Nothing herein shall preclude more than one tenant, whether title be
32 held in common or joint tenancy, from claiming a homestead
33 property tax **【reimbursement】** freeze benefit from the taxes
34 assessed against the property so held, but no more than the
35 equivalent of one full homestead property tax **【reimbursement】**
36 freeze benefit in regard to such homestead shall be allowed in any
37 year. In any case in which the eligible claimants cannot agree as to
38 the apportionment thereof, such homestead property tax
39 **【reimbursement】** freeze benefit shall be apportioned between or
40 among them in proportion to their interest. Property held by
41 husband and wife, as tenants by the entirety, shall be deemed
42 wholly owned by each tenant, but no more than one full homestead
43 property tax **【reimbursement】** freeze benefit in regard to such
44 homestead shall be allowed in any year. Right to claim a
45 homestead property tax **【reimbursement】** freeze benefit hereunder
46 shall extend to a homestead the title to which is held by a
47 partnership, to the extent of the eligible claimant's interest as a

1 partner therein, and by a guardian, trustee, committee, conservator
2 or other fiduciary for any person who would otherwise be entitled to
3 claim such homestead property tax **[reimbursement]** freeze benefit
4 hereunder, but not to a homestead the title to which is held by a
5 corporation; except that a residential shareholder in a cooperative or
6 mutual housing corporation shall be entitled to claim a homestead
7 property tax **[reimbursement]** freeze benefit if he or she is
8 otherwise eligible to receive it, to the extent of the proportionate
9 share of the taxes assessed against the homestead of the
10 corporation, or any other entity holding title, attributable to his or
11 her unit therein. **[No]** An eligible claimant shall not be entitled to
12 **[payment under this act for]** a homestead property tax
13 **[reimbursement]** freeze benefit on more than one homestead within
14 the State in the same tax year.

15 b. When title to a homestead with respect to which a homestead
16 property tax freeze benefit is claimed for a year is transferred to
17 another owner during that year, the amount of the benefit shall be
18 prorated proportionally to the number of days the eligible claimant
19 occupied the homestead during the year.

20 (cf: P.L.1997, c.348, s.5)

21

22 6. Section 6 of P.L.1997, c.348 (C.54:4-8.73) is amended to
23 read as follows:

24 6. Pursuant to the "Administrative Procedure Act," P.L.1968,
25 c.410 (C.52:14B-1 et seq.), the director shall promulgate such rules
26 and regulations and prescribe such forms as the director shall deem
27 necessary to implement **[this act]** P.L.1997, c.348 (C.54:4-
28 8.67 et seq.). The director shall also promulgate rules and
29 regulations to implement an appeals process for aggrieved persons
30 to use if eligibility for a homestead property tax **[reimbursement**
31 **rebate or credit]** freeze benefit is denied.

32 (cf: P.L.2007, c.62, s.32)

33

34 7. This act shall take effect on the first day of the tax year next
35 following enactment, except the director may take any anticipatory
36 administrative action in advance as shall be necessary for the
37 implementation of this act.

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39

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STATEMENT

41

42 This bill would transform the homestead property tax
43 reimbursement program, commonly known as the "senior freeze"
44 program, from a reimbursement program into a credit program for
45 most eligible homeowners. Currently, eligible seniors and disabled
46 persons may apply for a senior freeze benefit that reimburses them,
47 by check, for any property tax increases paid in the prior tax year

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1 over and above the amount of property taxes paid in the applicable
2 base year. This bill would allow most of these eligible homeowners
3 to realize these savings in the form of a credit directly applied to
4 their property tax bills. This bill would simplify and lower the cost
5 of administering the senior freeze program.

6 Eligible homeowners who reside in a unit in a cooperative,
7 mutual housing corporation, or continuing care retirement
8 community, and who do not pay property taxes directly to the
9 municipality, would receive a rebate payment instead of a credit
10 directly applied to their property tax bills.