

# ASSEMBLY, No. 3604

## STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED MARCH 14, 2022

**Sponsored by:**

**Assemblywoman CLEOPATRA G. TUCKER**

**District 28 (Essex)**

**Assemblywoman SADAF F. JAFFER**

**District 16 (Hunterdon, Mercer, Middlesex and Somerset)**

**Assemblyman PAUL D. MORIARTY**

**District 4 (Camden and Gloucester)**

**Co-Sponsored by:**

**Assemblywomen McKnight, Quijano, Assemblymen Danielsen, Moen, Space, Wirths, Benson, Assemblywomen Haider, Dunn, Reynolds-Jackson, Matsikoudis, Assemblyman DePhillips, Assemblywoman McCarthy Patrick, Assemblymen DeAngelo, Catalano, Rooney, McGuckin, Thomson, S.Kean, Rumpf, Assemblywoman Gove and Assemblyman Karabinchak**

**SYNOPSIS**

Allows property tax rebate for disabled veterans.

**CURRENT VERSION OF TEXT**

As introduced.



(Sponsorship Updated As Of: 6/15/2023)

1 AN ACT concerning property tax relief for disabled veterans,  
2 supplementing Title 54 of the Revised Statutes.

3

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

6

7 1. As used in P.L. , c. (C. ) (pending before the  
8 Legislature as this bill):

9 "Arm's-length transaction" means a transaction in which the  
10 parties are dealing from equal bargaining positions, neither party is  
11 subject to the other's control or dominant influence, and the  
12 transaction is entirely legal in all respects and is treated with  
13 fairness and integrity;

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

17 "Continuing care retirement community" means a residential  
18 facility primarily for retired persons where lodging and nursing,  
19 medical, or other health-related services at the same or another  
20 location are provided as continuing care to an individual pursuant to  
21 an agreement effective for the life of the individual or for a period  
22 greater than one year, including mutually terminable contracts, and  
23 in consideration of the payment of an entrance fee with or without  
24 other periodic charges;

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

32 "Director" means the Director of the Division of Taxation in the  
33 Department of the Treasury;

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

39 "Homestead" means:

40 a. (1) a dwelling house and the land on which that dwelling  
41 house is located, which dwelling house constitutes the place of the  
42 claimant's domicile and is owned and used by the claimant as the  
43 claimant's principal residence;

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

1 (3) a condominium unit or a unit in a horizontal property  
2 regime, which unit constitutes the place of the claimant's domicile  
3 and is owned and used by the claimant as the claimant's principal  
4 residence;

5 (4) for purposes of this definition as provided in this subsection,  
6 in addition to the generally accepted meaning of owned or  
7 ownership, a homestead shall be deemed to be owned by a person if  
8 that person is a tenant for life or a tenant under a lease for 99 years  
9 or more and is entitled to and actually takes possession of the  
10 homestead under an executory contract for the sale thereof or under  
11 an agreement with a lending institution which holds title as security  
12 for a loan, or is a resident of a continuing care retirement  
13 community pursuant to a contract for continuing care for the life of  
14 that person, which contract requires the resident to bear a share of  
15 the property taxes that are assessed upon the continuing care  
16 retirement community, if a share is attributable to the unit that the  
17 resident occupies;

18 b. 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, and which is used by the claimant as the  
22 claimant's principal residence; and

23 c. a unit of residential rental property, which unit constitutes  
24 the place of the claimant's domicile and is used by the claimant as  
25 the claimant's principal residence;

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

29 "Gross income" means all New Jersey gross income required to  
30 be reported pursuant to the "New Jersey Gross Income Tax Act,"  
31 N.J.S.54A:1-1 et seq., other than income excludable from the gross  
32 income tax return, but before reduction thereof by any applicable  
33 exemptions, deductions and credits, received during the taxable  
34 year by the owner or residential shareholder in, or lessee of, a  
35 homestead;

36 "Manufactured home" or "mobile home" means a unit of housing  
37 that:

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

41 (2) Is built on a permanent chassis;

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

44 (4) Is manufactured in accordance with the standards  
45 promulgated for a manufactured home by the Secretary of the  
46 United States Department of Housing and Urban Development  
47 pursuant to the "National Manufactured Housing Construction and  
48 Safety Standards Act of 1974," Pub.L.93-383 (42 U.S.C. s.5401 et

1 seq.) and the standards promulgated for a manufactured or mobile  
2 home by the commissioner pursuant to the "State Uniform  
3 Construction Code Act," P.L.1975, c.217 (C.52:27D-119 et seq.);

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

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

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

25 "Principal residence" means a homestead actually and  
26 continually occupied by a claimant as the claimant's permanent  
27 residence, as distinguished from a vacation home, property owned  
28 and rented or offered for rent by the claimant, and other secondary  
29 real property holdings;

30 "Property tax" means payments to a municipality based upon an  
31 assessment made by the municipality upon real property on an ad  
32 valorem basis on land and improvements, and shall include the  
33 amount of property tax credit as defined in section 1 of P.L.2018,  
34 c.11 (C.54:4-66.6), but shall not include payments made in lieu of  
35 taxes;

36 "Rent" means the amount due in an arm's-length transaction  
37 solely for the right of occupancy of a homestead that is a unit of  
38 residential rental property. Rent shall not include any amount paid  
39 under the federal Housing Choice Voucher (Section 8) Program or  
40 paid as a rental assistance grant under section 1 of P.L.2004, c.140  
41 (C.52:27D-287.1). If the director finds that the parties in a rental  
42 transaction have not dealt with each other in an arm's-length  
43 transaction and that the rent due was excessive, the director may,  
44 for purposes of the homestead rebate claim, adjust the rent claimed  
45 in the homestead rebate application to a reasonable amount of rent;

46 "Resident" means an individual:

- 47 a. who is domiciled in this State, unless the individual  
48 maintains no permanent place of abode in this State, maintains a

1 permanent place of abode elsewhere, and spends in the aggregate no  
2 more than 30 days of the tax year in this State; or

3 b. who is not domiciled in this State but maintains a permanent  
4 place of abode in this State and spends in the aggregate more than  
5 183 days of the tax year in this State, unless the individual is in the  
6 Armed Forces of the United States;

7 "Residential rental property" means:

8 a. any building or structure or complex of buildings or  
9 structures in which dwelling units are rented or leased or offered for  
10 rental or lease for residential purposes;

11 b. a rooming house, hotel, or motel, if the rooms constituting  
12 the homestead are equipped with kitchen and bathroom facilities;

13 c. any building or structure or complex of buildings or  
14 structures constructed under the following sections of the National  
15 Housing Act (Pub.L.73-479) as amended and supplemented: section  
16 202, Housing Act of 1959 (Pub.L.86-372) and as subsequently  
17 amended, section 231, Housing Act of 1959; and

18 d. a site in a mobile home park equipped for the installation of  
19 manufactured or mobile homes, where these sites are under  
20 common ownership and control for the purpose of leasing each site  
21 to the owner of a manufactured or mobile home for the installation  
22 thereof; and

23 "Tax year" means the calendar year in which property taxes are  
24 due and payable.

25

26 2. a. A resident of this State who has been honorably  
27 discharged or released under honorable circumstances from active  
28 service in any branch of the Armed Forces of the United States and  
29 who has been declared by the United States Department of  
30 Veterans' Affairs to have a service-connected disability, shall be  
31 allowed a rebate for the tax year. The rebate amount shall be a  
32 percentage of the property taxes paid by the claimant in that tax  
33 year on the claimant's homestead equal to the claimant's percentage  
34 of service-connected disability. The State Treasurer shall annually  
35 on or before October 31 pay and distribute the amount of a rebate  
36 payable to each claimant whose rebate is approved by the director.

37 b. In the case of a claimant living in a rental property which  
38 constitutes the claimant's homestead, 18 percent of the rent paid by  
39 the claimant during the tax year shall be considered property taxes  
40 paid on the claimant's homestead. In the case of a claimant living in  
41 a mobile home that constitutes the claimant's homestead, 18 percent  
42 of the site fee paid by the claimant during the tax year to the owner  
43 of the mobile home park shall be considered property taxes paid on  
44 the claimant's homestead.

45 c. A rebate allowed pursuant to P.L. , c. (C. ) (pending  
46 before the Legislature as this bill) shall not exceed \$5,000. A  
47 claimant with gross income for the tax year in excess of \$200,000

1 shall not be eligible for the rebate. A rebate allowed pursuant to  
2 P.L. , c. (C. ) (pending before the Legislature as this bill),  
3 when combined with any other homestead rebates or credits, shall  
4 not exceed the property taxes paid by the claimant on the claimant's  
5 homestead.

6  
7 3. a. No rebate shall be allowed pursuant to  
8 P.L. , c. (C. ) (pending before the Legislature as this bill)  
9 except upon annual application, as shall be prescribed by the  
10 director. The director may require a claimant for a rebate to attach  
11 to the rebate application a copy of the appropriate property tax bill  
12 or proof of rent paid for the prior tax year.

13 b. Upon approval of rebate applications by the director, the  
14 director shall prepare lists of individuals entitled to a rebate,  
15 together with the respective amounts due each claimant, and shall  
16 forward those lists to the State Treasurer, the Director of the  
17 Division of Budget and Accounting, and any other officials as the  
18 director deems appropriate, on or before the earliest of such date or  
19 dates as may be convenient for the director to compile such lists.  
20 The director may inspect all records in the offices of the tax  
21 collector and tax assessor of a municipality with respect to  
22 applications, claims, and allowances for rebates.

23 c. If a rebate application contains a claim for a rebate that is  
24 incorrectly determined by the claimant or is based upon incorrect or  
25 insufficient information from which the director is to approve the  
26 claim, the director may determine the eligibility of the claimant for  
27 a rebate and the correct amount of a rebate to be paid to that  
28 claimant from such other information as may be available to the  
29 director. In addition, the director may adjust the amount of any  
30 rebate to which a claimant may be entitled by any part of the  
31 amount of any previous rebate erroneously claimed by and paid to  
32 that claimant.

33 d. In the case of a claimant for a rebate whose homestead is a  
34 unit in a cooperative, mutual housing corporation, or continuing  
35 care retirement community, the director may provide that the  
36 application shall include the name and address of the location of the  
37 property and the amount of real property taxes attributed to the  
38 cooperative, mutual housing residential unit, or continuing care  
39 retirement community residential unit, as shall be indicated in an  
40 official notice, which shall be furnished by the cooperative, mutual  
41 housing corporation, or continuing care retirement community for  
42 the same year.

43 e. A rebate shall be allowed pursuant to P.L. , c. (C. )  
44 (pending before the Legislature as this bill) for a claimant whose  
45 ownership of an interest in a homestead is satisfied by the holding  
46 of the beneficial interest if legal title thereto or share therein is held  
47 by another for the benefit of the claimant.

1       4. a. The director shall determine the amount of the rebate that  
2 shall be provided for each claimant pursuant to P.L. , c. (C. )  
3 (pending before the Legislature as this bill) based upon the  
4 information provided by the individual applicant in the application  
5 or from any other information as may be available to the director,  
6 and shall notify the applicant of the determined amount in the form  
7 of the rebate check or in any other manner as the director may deem  
8 appropriate. Subject to the provisions of the State Uniform Tax  
9 Procedure Law, R.S.54:48-1 et seq., such notification shall finally  
10 and irrevocably fix the amount of the rebate unless the applicant,  
11 within 90 days after having been given notice of such  
12 determination, applies to the director for a hearing, or unless the  
13 director re-determines the same. After such hearing the director  
14 shall give notice of the final determination to the applicant.

15       b. An applicant for a rebate authorized under  
16 P.L. , c. (C. ) (pending before the Legislature as this bill)  
17 who is aggrieved by any decision, order, finding, or denial by the  
18 director of all or part of that applicant's rebate may appeal  
19 therefrom to the New Jersey Tax Court in accordance with the  
20 provisions of the State Uniform Tax Procedure Law, R.S. 54:48-1 et  
21 seq. The appeal shall be the exclusive remedy available to an  
22 applicant for review of a decision of the director in respect to the  
23 determination of all or part of a rebate authorized under  
24 P.L. , c. (C. ) (pending before the Legislature as this bill).

25       c. A rebate paid as a result of misrepresentation or paid in  
26 error, shall be payable to and recoverable by the director in the  
27 same manner as a deficiency with respect to the payment of a State  
28 tax in accordance with the State Uniform Tax Procedure Law,  
29 R.S.54:48-1 et seq.

30

31       5. a. The tax collector of each municipality shall, on or before  
32 April 1 of each year, furnish the director with a list of property  
33 taxpayers in the district who are delinquent for taxes due and  
34 payable for the year immediately preceding and the amounts of such  
35 delinquencies. The collector shall report on such list the name, lot  
36 and block number on the property tax duplicate as may be  
37 applicable, and the address of each owner to whom a delinquency is  
38 attributable together with the amount of such delinquency so  
39 identified. No rebate payment under P.L. , c. (C. ) (pending  
40 before the Legislature as this bill) shall be made to a property owner  
41 while that property owner's delinquency remains; provided,  
42 however, that for the purposes of P.L. , c. (C. ) (pending  
43 before the Legislature as this bill), for an assessment on a property  
44 which is on appeal and for which the statutory percentage of the tax  
45 as provided in R.S.54:3-27 has been paid, the taxes assessed on that  
46 property shall not be regarded as delinquent.

47       b. If the director receives the list as provided for in subsection  
48 a. of this section, and the director determines that a property tax

1 delinquency remains for the preceding tax year on April 1, the  
2 director shall ascertain the amount of the rebate required to be  
3 withheld because of such delinquency in each municipality in the  
4 State, and shall certify such amounts to the State Treasurer as soon  
5 thereafter as may be practicable.

6 c. On or before November 15, the director shall notify each  
7 rebate claimant whose rebate has been withheld because of  
8 delinquency that the amount of the rebate to which the claimant  
9 otherwise would have been entitled has been sent to the tax  
10 collector in the municipality to be credited against the claimant's  
11 delinquency.

12 d. Upon certification by the director as to the amount of rebates  
13 required to be withheld because of delinquency in the several  
14 municipalities, the State Treasurer, upon the warrant of the Director  
15 of the Division of Budget and Accounting, shall pay such amount  
16 on or before October 30 to the tax collector in each municipality.

17 e. The tax collector in each municipality shall credit the tax  
18 delinquency of each property taxpayer who appears on the  
19 delinquency list set forth in subsection a. of this section in the  
20 amount that otherwise would have been returned to the property  
21 taxpayer as a rebate. In the event that the amount so credited by the  
22 tax collector exceeds the amount of delinquency, the tax collector  
23 may return the difference to the taxpayer or credit such amount to  
24 the subsequent property tax bill.

25 f. In the case of delinquency in the payment of property taxes  
26 by a cooperative, mutual housing corporation, or continuing care  
27 retirement community, a rebate that may be due an individual  
28 resident shall be paid by the State Treasurer to the tax collector of  
29 the municipality. The tax collector shall credit the cooperative,  
30 mutual housing corporation, or continuing care retirement  
31 community with such payment and the cooperative, mutual housing  
32 corporation, or continuing care retirement community shall, in turn,  
33 credit the individual unit owner to the extent of the rebate and  
34 notify the applicant of the amount to be credited.

35 g. If a tax collector fails to comply with the provisions of  
36 subsection a. of this section requiring the tax collector to furnish the  
37 director with a list, on or before April 1 of each year, of property  
38 taxpayers in the district delinquent for taxes due and payable for the  
39 year immediately preceding and the amounts of such delinquencies,  
40 the director shall pay the rebate directly to the delinquent applicant  
41 rather than to the tax collector of the municipality as set forth in  
42 subsection d. of this section.

43  
44 6. The Director of the Division of Taxation in the Department of  
45 the Treasury is empowered to promulgate rules and regulations in  
46 accordance with the "Administrative Procedure Act," P.L.1968,  
47 c.410 (C.52:14B-1 et seq.) and to prescribe forms to administer the  
48 provisions of this act. Notwithstanding any provisions of P.L.1968,



1 c.410 to the contrary, the director may adopt, immediately upon  
2 filing with the Office of Administrative Law, such regulations as  
3 the director deems necessary to implement the provisions of  
4 P.L. , c. (C. ) (pending before the Legislature as this bill)  
5 which regulations shall be effective for a period not to exceed 18  
6 months from the date of the filing. Such regulations may thereafter  
7 be amended, adopted or readopted by the director as the director  
8 deems necessary in accordance with the requirements of P.L.1968,  
9 c.410.

10

11 7. This act shall take effect immediately.

12

13

14

#### STATEMENT

15

16 This bill allows veterans with a service-connected disability to  
17 receive a property tax rebate from the State in proportion to the  
18 percentage of their service-connected disability. The bill provides  
19 property tax relief to veterans who have a disability rating of less  
20 than 100 percent total and permanent disability. Veterans who have  
21 a disability rating of 100 percent total and permanent disability are  
22 already exempt from paying property taxes.

23 Veterans with a service-connected disability are assigned a  
24 disability rating from the United States Department of Veterans'  
25 Affairs. A disability rating may range from 0 percent to 100  
26 percent. That rating will determine the percentage of property taxes  
27 paid that the veteran will be allowed as a rebate under this bill.

28 Funding for the rebate allowed by this bill is dependent on  
29 annual appropriations by the Legislature. The bill caps the rebate at  
30 \$5,000 and limits availability of the rebate to veterans with gross  
31 income of up to \$200,000.