

Tenants' Property Tax Rebate Act

N.J.S.A. 54:4-6.2 et seq, as amended by P.L. 1998, c. 15 and P.L. 2000, c. 125, s.31

54:4-6.2. Short title

This act shall be known and may be cited as the "Tenants' Property Tax Rebate Act."

L. 1976, c. 63, s. 1, eff. Aug. 17, 1976

54:4-6.3. Definitions relative to tenants property tax rebates

As used in this act unless the context clearly indicates a different meaning:

a. "Qualified real rental property" means any building or structure or complex of buildings or structures in which five or more housing units are rented or leased or offered for rental or lease for residential purposes except:

(1) hotels, motels or other guesthouses serving transient or seasonal guests;

(2) buildings or structures which are subject to an abatement agreement under which reduced or no property taxes are paid on the improvements pursuant to statute, notwithstanding that payments in lieu of taxes are paid in accordance with the agreement;

(3) buildings or structures located in municipalities in which a rent control ordinance which does not provide for an automatic increase in the amount of rent permitted to be charged by a property owner upon an increase in the amount of property tax levied upon the property is in effect for the base year and the current year;

(4) dwelling units in a residential cooperative or mutual housing corporation;

(5) dwelling units in a condominium, other than those dwelling units which are occupied by qualified tenants under the "Tenant Protection Act of 1992," P.L.1991, c.509 (C.2A:18-61.40 et al.);

(6) dwelling units in a continuing care retirement community; or

(7) dwelling units within residential health care facilities; assisted living residences; facilities with a Class C license pursuant to P.L.1979, c.496 (C.55:13B-1 et al.), the "Rooming and Boarding House Act of 1979" or similar facilities for which occupancy is

predicated upon the receipt of medical, nursing or personal care services for the residents and the cost thereof is included in the rent.

Owner occupation of a building shall not be a factor in whether a building is qualified real rental property under P.L.1976, c.63 (C.54:4-6.2 et seq.).

b. "Property tax reduction" means the difference between the amount of property tax paid or payable on any qualified real rental property in the base year, and the amount of property taxes paid or payable in the current year if less than the amount of property taxes paid or payable in the base year.

c. "Base year" means calendar year 1998. If any of the following events occur, "base year" shall then mean:

(1) any calendar year after 1998 in which property taxes levied for qualified real rental property exceed the property taxes levied for 1998 for that property;

(2) the first calendar year after 1998 during which qualified real rental property is first offered for rent or lease;

(3) the first full calendar year after 1998 in which qualified real rental property is no longer subject to a tax exemption or tax abatement program;

(4) a calendar year subsequent to 1998 for which the property tax calculation reflects an assessment reduction from the prior base year assessment; or

(5) a calendar year subsequent to 1998 in which the property taxes paid in the base year and the property taxes paid in the current year do not reflect consistent budgetary and tax item components because sewer, solid waste or similar services provided through a taxing entity budget and reflected in the tax rate are changed to a separately billed user fee.

d. "Assessment reduction" means a decrease in the amount of assessed value of qualified real rental property resulting from an agreement entered into with a municipal taxing authority, an abatement, exemption, change in assessment imposed administratively by a municipal tax assessor or county board of taxation, or a judgment entered by a county board of taxation, the tax court, or by a court of competent jurisdiction.

L. 1976, c.63, s.2; amended 1977, c.81, s.1; 1977, c.241, s.5; 1977, c.242, s.4; 1987, c.66, s.3; 1991, c.65; 1998, c.15, s.1; 2000, c.126, s.31

54:4-6.4. Property tax rebate to tenants by owner of qualified real rental property

An owner of qualified real rental property shall provide a property tax rebate to the tenants thereof as provided in this act for each year in which he receives a property tax reduction.

L. 1976, c. 63, s. 3, eff. Aug. 17, 1976. Amended by L. 1977, c. 81, s. 2, eff. May 3, 1977

54:4-6.5. Computation of amount of property tax reduction

a. At the time when municipal property tax bills are prepared pursuant to R.S.54:4-64 the municipal tax collector shall compute the amount of property tax reduction for the year for each property owner of qualified real rental property and shall provide a notice to inform the property owner receiving a property tax reduction of the amount thereof and of the owner's obligations under P.L.1976, c.63 (C.54:4-6.2 et seq.).

b. In computing the property tax reduction, if the current year property tax calculation reflects an assessment reduction from a base year assessment, other than as provided in subsection c. of this section, no property tax reduction has occurred and no rebate shall be due or payable for that property for the current tax year.

c. In the event a municipal-wide revaluation or reassessment is implemented in the current tax year, the property tax reduction shall be the difference between the amount of property tax paid or payable in the current tax year and the amount of property tax paid in the base year. The year in which a municipal-wide revaluation or reassessment is implemented shall become the base year in any subsequent tax year.

d. The tax collector shall compute the property tax reduction in accordance with any tax appeal judgments entered or tax appeal stipulations filed with a county tax board or court of competent jurisdiction as of the date of his calculation. If the tax collector receives notice of the entry of a tax appeal judgment or the filing of a stipulation with a county tax board or court of competent jurisdiction after the initial property tax reduction notice has been mailed to the property owner, he shall, within 30 working days, recalculate the property tax reduction accordingly and provide a revised notice of tax reduction to the property owner. For the purposes of this subsection, "receives notice" shall mean the tax collector has been notified by the owner of real property or the owner's agent, or

otherwise made aware of the judgment or stipulation. A copy of the notice or any revised notice shall be provided to the rent leveling board, or similar agency charged with regulating rents or, where no such board exists, retained by the tax collector.

L. 1976, c. 63, s. 5; amended 1977, c. 81, s. 4; 1998, c. 15, s. 3.

54:4-6.6. Computation of property tax rebate

The property tax rebate for each tenant shall be computed by the property owner by subtracting from the total property tax reduction as calculated pursuant to section 4 of P.L.1976, c.63 (C.54:4-6.5) an amount equal to the proportion that nonresidential rents and the rental value of the owner's or the owner's employee's personal occupancy bears to total rental value, and then by dividing the remaining property tax reduction among all residential tenants in proportion to the rent each is required to pay.

L. 1976, c. 63, s. 6; amended 1977, c. 81, s. 5; 1985, c. 317, s. 3; 1998, c. 15, s. 4

54:4-6.7. Payment of property tax rebate, credit

The property tax rebate or credit for each dwelling unit shall be paid to the tenant who was in residence of such unit during the calendar year. The rebate shall be paid monthly, except that the first rebate payment shall be cumulative to the month following receipt of the notice of property tax reduction pursuant to section 4 of P.L.1976, c.63 (C.54:4-6.5), and the last shall be made by December 31; provided however, that if a notice is received after November 1 of the tax year, the first rebate payment need not be cumulative and the rebate may be payable in monthly installments to the next following June 30. Such property tax reduction shall, at the option of the owner, either be credited as a rent reduction or paid directly to the tenant.

The amount of each monthly property tax rebate or credit shall be equal to one-twelfth of the annual amount of the rebate or credit; provided, however, that the amount of the rebate or credit due the tenant at the time the rent is paid shall be rounded off such that any amount less than \$0.50 shall be reduced to the next lower dollar and any amount \$0.50 or higher shall be increased to the next higher dollar. Rebates shall be paid to a tenant only for the number of months during the calendar year the

tenant has been in residence. A landlord shall use his or her best efforts to obtain the forwarding address of a tenant who is entitled to a rebate and who has moved from the rental premises.

An owner shall adjust the payment or crediting of a rebate immediately upon the receipt of and in accordance with a revised notice of property tax reduction pursuant to section 4 of P.L.1976, c.63 (C.54:4-6.5); provided, however, that no amount of rebate previously paid or credited may be recovered by the owner.

In the case of a lease terminated pursuant to P.L.1971, c.318 (C.46:8-9.1), any property tax rebate or credit due and owing prior to that termination of the lease shall be paid to the executor or administrator of the estate of the tenant or the surviving spouse of the tenant terminating the lease.

L. 1976, c. 63, s. 7, eff. Aug. 17, 1976. Amended by L. 1977, c. 81, s. 6, eff. May 3, 1977

54:4-6.8. Statement of amount paid and certification of compliance; posting notice of list of rent rebate

Any person who is a property owner of qualified real rental property shall state on a form required to be filed with the rent leveling board or similar agency charged with regulating rents or, where no such board exists, with the municipal tax collector, the total property tax rebate paid with respect to such qualified real rental property and shall certify that he has complied with the provisions of this act. Said form shall be filed within 30 days following notification by the municipal tax collector of the amount of property tax reduction. Also at such time he shall post and maintain in a prominent place within such property a notice containing a listing of the specific amount of rent rebate per year and per month for each different category of rent payable.

L. 1976, c. 63, s. 7, eff. Aug. 17, 1976. Amended by L. 1977, c. 81, s. 6, eff. May 3, 1977

NOTE: Section 54:4-6.9 has been deleted.

54:4-6.10. Regulations

The Director of the Division of Local Government Services shall by regulation prescribe the procedures for computing property tax reductions and rebates, and the necessary forms to be used for the notices required by this act and any additional information the director

deems advisable to be provided in such notices, and such other rules or regulations as the director deems necessary or advisable for the efficient administration and implementation of the purposes and provisions of this act.

L. 1976, c. 63, s. 9; amended 1998, c. 15, s. 5

54:4-6.11. Double damages

Any property owner of qualified real rental property who fails to provide a tenant or, in the case of a lease terminated pursuant to P.L. 1971, c. 318 (C. 46:8-9.1), the executor or administrator of the estate of the tenant or the surviving spouse of the tenant so terminating the lease, with a property tax rebate in accordance with the provisions of this act shall be liable to the tenant executor, administrator or surviving spouse for twice the amount of the property tax rebate to which the tenant was entitled or \$100.00, whichever is greater.

L. 1976, c. 63, s. 10, eff. Aug. 17, 1976. Amended by L. 1985, c. 317, s. 4, eff. Aug. 28, 1985

54:4-6.12. Failure to provide rebate, notice, certification, information required, penalty; enforcement; jurisdiction

Any landlord who fails to provide property tax rebates to tenants in accordance with the provisions of this act, or who knowingly and willfully fails to provide or post any notice, certification, information or statement required by this act shall be liable for a penalty of not more than \$100.00 for each offense. Such penalty shall be collected and enforced by summary proceedings pursuant to "the penalty enforcement law" (N.J.S.2A:58-1 et seq.). The Superior Court and the municipal court of the municipality in which the qualified real rental property is located shall have jurisdiction over such proceedings. Process shall be in the nature of a summons or warrant, and shall be issued upon the complaint of the local enforcement agency or any tenant of the qualified real rental property. Any money received as a result of such proceedings shall be paid over to the governing body of the municipality in which the qualified real rental property is located.

L. 1976, c. 63, s. 11; amended 1991, c. 91, s. 503; 1998, c. 15, s. 6.

