

[First Reprint]

**SENATE, No. 538**

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**STATE OF NEW JERSEY**  
**218th LEGISLATURE**

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PRE-FILED FOR INTRODUCTION IN THE 2018 SESSION

**Sponsored by:**

**Senator STEVEN V. OROHO**

**District 24 (Morris, Sussex and Warren)**

**Senator BRIAN P. STACK**

**District 33 (Hudson)**

**Co-Sponsored by:**

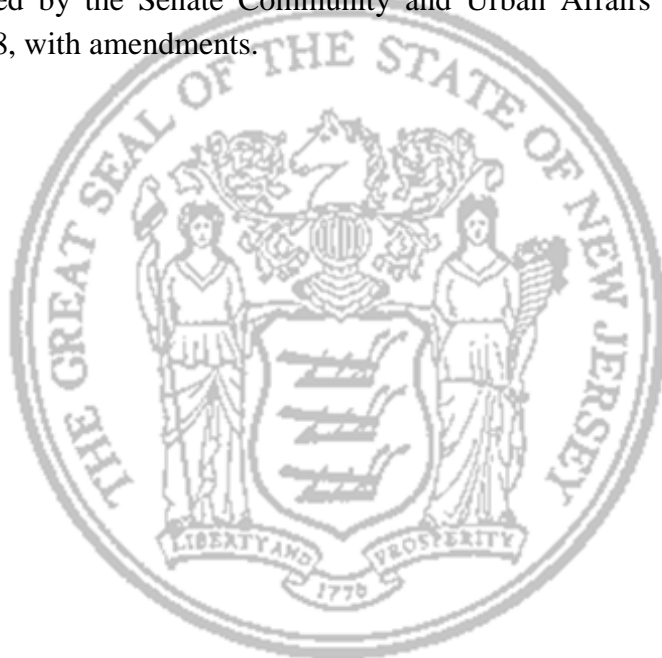
**Senators Diegnan, Bateman, Cardinale and Rice**

**SYNOPSIS**

Allows long term tax exemption extension for certain low-income housing.

**CURRENT VERSION OF TEXT**

As reported by the Senate Community and Urban Affairs Committee on June 25, 2018, with amendments.



1 AN ACT concerning long term tax exemptions on <sup>1</sup>**[age-restricted]**  
2 certain low-income<sup>1</sup> housing, amending P.L.1983, c.530, and  
3 supplementing P.L.1991, c.431 (C.40A:20-1 et seq.).  
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:  
7

8 1. (New section) Notwithstanding the provisions of sections 12  
9 and 13 of P.L.1991, c.431 (C.40A:20-12 and C.40A:20-13) to the  
10 contrary, the governing body of a municipality may agree to  
11 continue a tax exemption for a <sup>1</sup>**[qualified]** federally<sup>1</sup> subsidized  
12 housing project beyond the date on which existing first mortgage  
13 financing is fully paid so long as the project continues to receive  
14 project-based federal <sup>1</sup>**[section 8]**<sup>1</sup> rental assistance, <sup>1</sup>authorized  
15 pursuant to section 8 of the United States Housing Act of 1937 (42  
16 U.S.C. s.1437f),<sup>1</sup> or other federal project-based <sup>1</sup>**[vouchers]**  
17 assistance<sup>1</sup>.  
18

19 2. Section 37 of P.L.1983, c.530, (C.55:14K-37) is amended to  
20 read as follows:

21 37. a. It is the intent of the Legislature that in the event of any  
22 conflict or inconsistency in the provisions of this act and any other  
23 acts concerning housing sponsors or any rules and regulations  
24 adopted thereunder, to the extent of such conflict or inconsistency,  
25 the provisions of this act shall be enforced and the provisions of  
26 such other acts and rules and regulations adopted thereunder shall  
27 be of no effect.

28 b. The governing body of any municipality in which a housing  
29 project financed or to be financed by the agency is or is to be  
30 located may by ordinance or resolution, as appropriate, provide that  
31 such project shall be exempt from real property taxation, if the  
32 housing sponsor enters into an agreement with the municipality for  
33 payments to the municipality in lieu of taxes for municipal services.  
34 Any such agreement may require the housing sponsor to pay to the  
35 municipality an amount up to <sup>1</sup>**[20%]** 20 percent<sup>1</sup> of the annual  
36 gross revenue from each housing project situated on such real  
37 property for each year of operation thereof following the substantial  
38 completion thereof. For the purpose of this section, "annual gross  
39 revenue" means the total annual gross rental or carrying charge and  
40 other income of a housing sponsor from a housing project. If any  
41 such agreement is entered into from the date of recording the  
42 mortgage on the project to the date of substantial completion of the  
43 project, the annual amount payable to the municipality as taxes or

**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.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Senate SCU committee amendments adopted June 25, 2018.

1 as payments in lieu of taxes in respect of the project site shall not be  
2 in excess of the amount of taxes on the project site for the year  
3 preceding the recording of the mortgage. Any agreement between  
4 any housing sponsor and a municipality pursuant to this subsection  
5 shall be submitted to the agency for review in order to avoid  
6 duplicating, overlapping or inconsistent regulations or provisions.  
7 Any exemption from taxation pursuant to the provisions of this  
8 section shall not extend beyond the date on which the eligible loan  
9 made by the agency on the project is paid in full.

10 c. Notwithstanding the provisions of subsection b. of this  
11 section to the contrary, the governing body of a municipality may  
12 agree to continue a tax exemption for a <sup>1</sup>["qualified"] federally<sup>1</sup>  
13 subsidized housing <sup>1</sup>["project," as defined under subsection l. of  
14 section 3 of P.L.1991, c.431 (C.40A:20-3)] project<sup>1</sup> , beyond the  
15 date on which the eligible loan made by the agency on the project is  
16 fully paid, so long as the project continues to receive project-based  
17 federal <sup>1</sup>["section 8"]<sup>1</sup> rental assistance, <sup>1</sup>authorized pursuant to  
18 section 8 of the United States Housing Act of 1937 (42 U.S.C.  
19 s.1437f),<sup>1</sup> or other federal project-based <sup>1</sup>["vouchers"] assistance<sup>1</sup>.  
20 (cf: P.L.1983, c.530, s.37)

21  
22 3. This act shall take effect immediately.