

[Second Reprint]
SENATE, No. 538

STATE OF NEW JERSEY
218th LEGISLATURE

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:

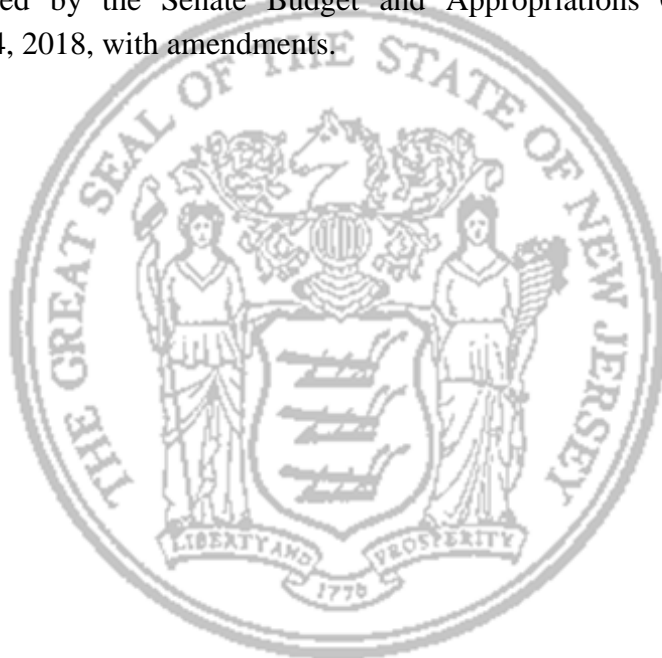
Senators Diegnan, Bateman, Cardinale and Rice

SYNOPSIS

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

CURRENT VERSION OF TEXT

As reported by the Senate Budget and Appropriations Committee on September 24, 2018, with amendments.



1 AN ACT concerning long term tax exemptions on ¹**[age-restricted]**
 2 certain low-income¹ 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 continue a
 11 tax exemption for a ¹**[qualified]** federally¹ subsidized housing project
 12 beyond the date on which existing first mortgage financing is fully
 13 paid so long as the project ²**[continues to receive]** remains subject to
 14 affordability controls pursuant to² project-based federal ¹**[section 8]**¹
 15 rental assistance, ¹authorized pursuant to section 8 of the United States
 16 Housing Act of 1937 (42 U.S.C. s.1437f).¹ or other federal project-
 17 based ¹**[vouchers]** assistance¹.
 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 acts
 23 concerning housing sponsors or any rules and regulations adopted
 24 thereunder, to the extent of such conflict or inconsistency, the
 25 provisions of this act shall be enforced and the provisions of such other
 26 acts and rules and regulations adopted thereunder shall be of no effect.

27 b. The governing body of any municipality in which a housing
 28 project financed or to be financed by the agency is or is to be located
 29 may by ordinance or resolution, as appropriate, provide that such
 30 project shall be exempt from real property taxation, if the housing
 31 sponsor enters into an agreement with the municipality for payments to
 32 the municipality in lieu of taxes for municipal services. Any such
 33 agreement may require the housing sponsor to pay to the municipality
 34 an amount up to ¹**[20%]** 20 percent¹ of the annual gross revenue from
 35 each housing project situated on such real property for each year of
 36 operation thereof following the substantial completion thereof. For the
 37 purpose of this section, "annual gross revenue" means the total annual
 38 gross rental or carrying charge and other income of a housing sponsor
 39 from a housing project. If any such agreement is entered into from the
 40 date of recording the mortgage on the project to the date of substantial
 41 completion of the project, the annual amount payable to the
 42 municipality as taxes or as payments in lieu of taxes in respect of the
 43 project site shall not be in excess of the amount of taxes on the project

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:

¹Senate SCU committee amendments adopted June 25, 2018.

²Senate SBA committee amendments adopted September 24, 2018.

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

8 c. Notwithstanding the provisions of subsection b. of this section
9 to the contrary, the governing body of a municipality may agree to
10 continue a tax exemption for a ¹["qualified"] federally¹ subsidized
11 housing ¹["project," as defined under subsection 1. of section 3 of
12 P.L.1991, c.431 (C.40A:20-3)] project¹, beyond the date on which the
13 eligible loan made by the agency on the project is fully paid, so long as
14 the project ²["continues to receive"] remains subject to affordability
15 controls pursuant to² project-based federal ¹["section 8"]¹ rental
16 assistance, ¹authorized pursuant to section 8 of the United States
17 Housing Act of 1937 (42 U.S.C. s.1437f),¹ or other federal project-
18 based ¹["vouchers"] assistance¹.

19 (cf: P.L.1983, c.530, s.37)

20
21 3. This act shall take effect immediately.