

# SENATE, No. 983

## STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED JANUARY 30, 2020

**Sponsored by:**  
**Senator TROY SINGLETON**  
**District 7 (Burlington)**

### **SYNOPSIS**

Requires municipalities to file copies of tax abatement and exemption agreements with county chief financial officer and county counsel within 10 days of execution.

### **CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning the filing of certain financial agreements and  
2 amending P.L.1991, c.441.

3

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

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7 1. Section 11 of P.L.1991, c.441 (C.40A:21-11) is amended to  
8 read as follows:

9 11. a. All tax agreements entered into by municipalities  
10 pursuant to sections 9 through 12 of P.L.1991, c.441 shall be in  
11 effect for no more than the five full years next following the date of  
12 completion of the project.

13 b. All projects subject to tax agreement as provided herein shall  
14 be subject to all applicable federal, State and local laws and  
15 regulations on pollution control, worker safety, discrimination in  
16 employment, housing provision, zoning, planning and building code  
17 requirements.

18 c. That percentage which the payment in lieu of taxes for a  
19 property bears to the property tax which would have been paid had  
20 an exemption and abatement not been granted for the property  
21 under the agreement shall be applied to the valuation of the  
22 property to determine the reduced valuation of the property to be  
23 included in the valuation of the municipality for determining  
24 equalization for county tax apportionment and school aid during the  
25 term of the tax agreements covering the properties, and at the  
26 termination of an agreement for a property the reduced valuation  
27 procedure required under this section shall no longer apply.

28 d. Within **[30]** 10 days after the execution of a tax agreement,  
29 a municipality shall forward a copy of the agreement to the  
30 **[Director of the Division of Local Government Services in the**  
31 **Department of Community Affairs,]** the chief financial officer of  
32 the county, and the county counsel.

33 (cf: P.L.2007, c.268, s.4)

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35 2. Section 21 of P.L.1991, c.441 (C.40A:21-21) is amended to  
36 read as follows:

37 21. The governing body of a municipality adopting an ordinance  
38 pursuant to this act shall report, on or before October 1 of each  
39 year, to the Director of the Division of Local Government Services  
40 in the Department of Community Affairs and to the Director of the  
41 Division of Taxation in the Department of the Treasury, the chief  
42 financial officer of the county, and the county counsel the total  
43 amount of real property taxes exempted and the total amount abated  
44 within the municipality in the current tax year for each of the  
45 following:

**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 a. improvements of dwellings;
- 2 b. construction of dwellings;
- 3 c. improvements and conversions of multiple dwellings;
- 4 d. improvements of commercial or industrial structures;
- 5 e. construction of multiple dwellings under tax agreements;
- 6 and
- 7 f. construction of commercial or industrial structures under tax
- 8 agreements.

9 In the case of e. and f. above, the report shall state instead the  
10 total amount of payments made in lieu of taxes according to each  
11 formula utilized by the municipality, and the difference between  
12 that total amount and the total amount of real property taxes which  
13 would have been paid on the project had the tax agreement not been  
14 in effect, for the current tax year.

15 The Director of the Division of Taxation shall include a  
16 summary of the information provided in the annual reports in the  
17 annual report of the division.

18 (cf: P.L.1991, c.441, s.21)

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20 3. This act shall take effect immediately.

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STATEMENT

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25 This bill would require municipalities to file copies of all  
26 financial agreements permitting short-term property tax abatements  
27 and exemptions with the county chief financial officer and county  
28 counsel, within 10 days of adoption. Agreements permitting short-  
29 term property tax abatements are now required to be filed with the  
30 Division of Local Government Services in the Department of  
31 Community Affairs.