

ASSEMBLY, No. 1751

STATE OF NEW JERSEY

INTRODUCED MARCH 25, 1996

By Assemblyman JONES

1 AN ACT concerning the duration of certain tax exemptions and
2 amending P.L.1991, c.431.

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

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7 1. Section 13 of P.L.1991, c.431 (C.40A:20-13) is amended to
8 read as follows:

9 13. The tax exemption provided in this act shall apply only so long
10 as the urban renewal entity and its project remain subject to the
11 provisions of this act, but in no event more than 35 years from the date
12 of the execution of the financial agreement. A tax exemption
13 authorized in connection with a non-profit limited dividend
14 cooperative housing project under a financial agreement entered into
15 pursuant to the "Limited-Dividend Nonprofit Housing Corporations or
16 Associations Law," P.L.1949, c.184 (C.55:16-1 et seq.) may be
17 extended to coincide with existing first mortgage financing. The terms
18 of any such extension shall be set forth in an amended financial
19 agreement between the urban renewal entity and the municipality. An
20 urban renewal entity may at any time after the expiration of one year
21 from the completion date of the project, notify the governing body of
22 the municipality that, as of a certain date designated in the notice, it
23 relinquishes its status under this act, and if the project includes
24 housing units, that the urban renewal entity has obtained the consent
25 of the Commissioner of Community Affairs to such a relinquishment.
26 As of that date, the tax exemption, the service charges, and the profit
27 and dividend restrictions shall terminate. The date of termination of
28 tax exemption, whether by relinquishment by the entity or by terms of
29 the financial agreement, shall be deemed the close of the fiscal year of
30 the entity. Within 90 days of that date, the urban renewal entity shall
31 pay to the municipality the amount of reserve, if any maintained
32 pursuant to section 15 or 16 of this act, as well as the excess net
33 profits, if any, payable as of that date.

34 (cf: P.L.1991, c.431, s.13)

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

1 2. This act shall take effect immediately.

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STATEMENT

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6 This bill would allow for the extension of the term of any tax
7 exemption granted to a non-profit limited dividend housing
8 cooperative project under a financial agreement entered into pursuant
9 to the "Limited-Dividend Nonprofit Housing Corporations or
10 Associations Law," P.L.1949, c.184 (C.55:16-1 et seq.) in order to
11 coincide with first mortgage financing. The terms and duration of any
12 such extension shall be set forth in an agreement between the urban
13 renewal entity and the municipality.

14 Under P.L.1991, c.431, which consolidated a series of statutes
15 allowing for long-term tax exemptions and abatements, the duration
16 of the long-term tax exemption was limited to 35 years.

17 This bill would allow for the extension of an exemption beyond 35
18 years, upon the agreement of the municipality and the urban renewal
19 entity, under limited circumstances.

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23 _____
24 Allows for extension of 35 year tax exemption under certain
circumstances.

WITHDRAWN