

SENATE, No. 735

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 15, 1995

By Senator CAFIERO

1 AN ACT concerning exemptions and abatements of taxation regarding
2 certain properties and amending P.L.1991, c.441.

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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 5 of P.L.1991, c.441 (C.40A:21-5) is amended to read
8 as follows:

9 5. a. If the ordinance adopted pursuant to this act shall provide for
10 the exemption from taxation of improvements to dwellings, it shall
11 require that, in determining the value of real property, the municipality
12 shall regard the first \$5,000 or \$15,000 or \$25,000, as the ordinance
13 shall specify, in assessor's full and true value of improvements for each
14 dwelling unit primarily and directly affected by the improvement in any
15 dwelling [more than 20 years old], as not increasing the value of the
16 property for a period of five years, notwithstanding that the value of
17 the property to which the improvements are made is increased thereby.
18 During the exemption period, the assessment on the property shall not
19 be less than the assessment thereon existing immediately prior to the
20 improvements, unless an abatement is granted pursuant to subsection
21 b. of this section, or there is damage to the dwelling through action of
22 the elements sufficient to warrant a reduction.

23 b. An ordinance providing for exemptions for improvements to
24 dwellings may also provide for the abatement of some portion of the
25 assessed value of property receiving the exemption as it existed
26 immediately prior to the improvement. An abatement for a dwelling
27 may be granted with respect to that property for a total of up to five
28 years, but the annual amount of the abatement granted to any single
29 property shall not exceed 30% of the annual amount of the exemption
30 granted under the ordinance. The abatement period and the annual
31 percentage of the abatement to be granted shall be set forth in the
32 ordinance, which may include a schedule providing for a different
33 percentage of abatement, up to 30%, for each year of the abatement
34 period.

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.

1 c. An ordinance providing for exemptions or abatements, or both,
2 for improvements to dwellings may also provide for the exemption of
3 some portion of the assessed valuation of construction of new
4 dwellings or of conversions of other buildings and structures, including
5 unutilized public buildings, to dwelling use, or both. If so, the
6 ordinance shall require that, in determining the value of real property,
7 the municipality shall regard a percentage, not to exceed 30%, of the
8 assessor's full and true value of the dwelling constructed, or
9 conversion alterations made, as not increasing the value of the
10 property for a total up to five years, notwithstanding that the value of
11 the property upon which the construction or conversion occurs is
12 increased thereby. The exemption period and the annual percentage
13 of the exemption to be granted shall be set forth in the ordinance,
14 which may include a schedule providing for a different percentage of
15 exemption, up to 30%, for each year of the exemption period.

16 d. An ordinance providing for the exemption of some portion of
17 the assessed valuation of construction of new dwellings, or of
18 conversions of other buildings and structures to dwelling use, or both,
19 may also provide for the abatement of some portion of the assessed
20 value of the property receiving the exemption as it existed immediately
21 prior to the construction or conversion alteration. An abatement for
22 a dwelling may be granted for a total of up to five years, but the
23 annual amount of the abatement shall not exceed 30% of the total cost
24 of the construction or conversion alteration, and the total amount of
25 abatements granted to any single property shall not exceed the total
26 cost of the construction or conversion alteration. The abatement
27 period and the annual percentage of the abatement to be granted shall
28 be set forth in the ordinance, which may include a schedule providing
29 for a different percentage of abatement, up to 30%, for each year of
30 the abatement period.

31 (cf: P.L.1991, c.441, s.5)

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33 2. This act shall take effect immediately.

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35 STATEMENT

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37 This bill would remove the requirement in current law that if an
38 ordinance is adopted by a municipality allowing for an exemption or
39 abatement for improvements on a dwelling unit, the unit must be more
40 than 20 years old.

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44 Removes minimum age of dwelling unit as eligibility criterion for
45 5-year property tax exemption.