

40:55C-41.1 et al

LEGISLATIVE HISTORY CHECKLIST

NJSA: 40:55C-41.1 et al.

(State investment blighted areas - designates certain areas)

LAWS OF: 1983

CHAPTER: 139

Bill No: S3076

Sponsor(s): Stockman and others

Date Introduced: Jan. 27, 1983

Committee: Assembly: Revenue, Finance and Appropriations

Senate: _____

Amended during passage: Yes // Amendments during passage denoted by asterisks, Substituted for A3109 (not attached since identical to S3076)

Date of Passage: Assembly: Feb. 14, 1983

Senate: Jan. 31, 1983

Date of Approval: April 14, 1983

Following statements are attached if available:

Sponsor statement:	Yes	//
Committee statement:	Assembly	/// No
	Senate	/// No
Fiscal Note:	///	No
Veto Message:	///	No
Message on Signing:	///	No
Following were printed:		
Reports:	///	No
Hearings:	///	No

APPROVED 4-14-83

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SENATE, No. 3076

STATE OF NEW JERSEY

INTRODUCED JANUARY 27, 1983

By Senators STOCKMAN, McMANIMON, FORAN, BORNHEIMER, ORECHIO, HIRKALA, FELDMAN, RAND, LIPMAN, RODGERS, GRAVES, DALTON, GREGORIO, LYNCH, CAUFIELD, CODEY, SAXTON, COSTELLO, GORMLEY, O'CONNOR, LaROCCA, KENNEDY, CARDINALE, HURLEY, DUMONT and BASSANO

(Without Reference)

AN ACT to designate certain areas as State investment blighted areas under the "Urban Renewal Corporation and Association Law of 1961," amending P. L. 1967, c. 114 and P. L. 1978, c. 93, and amending and supplementing P. L. 1961, c. 40.

1 BE IT ENACTED by the Senate and General Assembly of the State 2 of New Jersey:

- 1 1. (New section) The Legislature finds and declares that:
- 2 a. The problems affecting the deteriorating urban areas of the
- 3 State are of such severity that their resolution requires the con-
- 4 centrated investment of State, as well as local, federal and private
- 5 resources;
- 6 b. The objective of the State's urban policy is to concentrate
- 7 public investment in (distressed urban centers to assist the re-
- 8 habilitation of the older municipalities of this State;
- 9 c. State construction of new office buildings primarily for the
- 10 use of State agencies in urban areas provides a unique source of
- 11 investment capital which can be strategically utilized to redress
- 12 the deterioration of those areas by serving as a catalyst for in-
- 13 ducing other public and private investment therein and inducing
- 14 the rental or occupancy of office facilities by private business
- 15 concerns;

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 printed in italics thus is new matter.
 Matter enclosed in asterisks or stars has been adopted as follows:
 *—Assembly amendments adopted February 14, 1983.

16 d. The areas designated by this act as State investment blighted
 17 areas are deemed to be areas within the meaning of Article VIII,
 18 Section III, paragraph 1 of the Constitution since they are located
 19 in older, economically declining urban areas in which only a com-
 20 bination of the financial incentives authorized by Article VIII,
 21 Section III, paragraph 1 and the joint use of State, private, local
 22 and federal financial resources can meet the constitutional ob-
 23 jective of (1) improving the economic condition of the public,
 24 (2) eliminating the lack of use or under utilization of land by en-
 25 couraging the proper utilization thereof, and (3) developing, stim-
 26 ulating, encouraging and increasing the employment of private
 27 capital and labor in redevelopment;

28 e. A municipality, to the greatest extent it determines to be
 29 feasible in carrying out the provisions of this act, should afford
 30 maximum opportunity, consistent with the needs of the munici-
 31 pality as a whole, to the conservation or rehabilitation or redevel-
 32 opment of areas by private enterprise; and

33 f. All powers conferred by this act are for public uses and pur-
 34 poses for which public money may be expended and other powers
 35 exercised, and the necessity in the public interest for the provi-
 36 sions of this act is hereby declared as a matter of legislative
 37 determination.

1 2. (New section) "State investment blighted area" means an
 2 area * whose redevelopment requires and is likely to receive an
 3 intensive federal, State and local financial commitment as evi-
 4 denced by:

5 a. Its location in a municipality qualified for State aid under
 6 P. L. 1978, c. 14 (C. 52:27D-178 et seq.); and

7 b. Its location in an area or part thereof:

8 (1) Which has been determined to be an area in need of re-
 9 habilitation in accordance with standards and procedures set forth
 10 in P. L. 1977, c. 12 (C. 54:4-3.95 et seq.);

11 (2) Which has been designated by the New Jersey Building
 12 Authority established pursuant to P. L. 1981, c. 120 (C. 52:18A:78.1
 13 et seq.), or by any other agency or authority of this State, either
 14 for the construction or the lease wholly or in part, of one or more
 15 buildings for office space and related facilities to be constructed
 16 by an urban renewal entity or a State agency primarily for use
 17 by State agencies, as defined in section 2 of P. L. 1981, c. 120
 18 (C. 52:18A-78.2);

19 (3) In which there is, or is to be located, a project approved or
 20 conditionally approved for financial assistance by the federal gov-
 21 ernment as an Urban Development Action Grant pursuant to 42

22 U. S. C. § 5318 or laws amendatory or supplementary thereto; and
 23 (4) Which the municipality, by resolution of its governing body,
 24 has declared to be a State investment blighted area in accordance
 25 with the standards set forth in this section¹ *in any municipality
 26 which is unlikely to be developed without State or federal assist-
 27 ance, is declared to be a State investment blighted area in accord-
 28 ance with the provisions of section 3 of this amendatory and
 29 supplementary act and wherein there exists any of the conditions
 30 enumerated in section 1 of P. L. 1949, c. 187 (C. 40:55-21.1) or any
 31 of the following conditions:

32 a. Deterioration of industrial, manufacturing or commercial
 33 buildings or housing;

34 b. Unproductive utilization of property; or

35 c. Where the infusion of State, federal and private capital will
 36 assist in the alleviation of blighted area in the municipality as
 37 defined by section 1 of P. L. 1949, c. 187 (C. 40:55-21.1)*.

1 *²[3. (New Section) A State investment blighted area shall be
 2 deemed to be a blighted area within the meaning of Article VIII,
 3 Section III, paragraph 1 of the Constitution, whether or not the
 4 area is qualified as, or has been determined by the municipality
 5 to be, a blighted area in accordance with P. L. 1949, c. 187 (C.
 6 40:55-21.1 et seq.)].*

1 *3. a. A municipality, by resolution of its governing body, may
 2 declare an area a State investment blighted area if it is an area as
 3 defined in section 2 of this amendatory and supplementary act, and

4 (1) The municipality qualifies for State aid under P. L. 1978,
 5 c. 14 (C. 52:27D-178 et seq.);

6 (2) The area has been determined to be an area in need of
 7 rehabilitation in accordance with standards and procedures set
 8 forth in P. L. 1977, c. 12 (C. 54:4-3.95 et seq.);

9 (3) Which has been designated by the New Jersey Building
 10 Authority established pursuant to P. L. 1981, c. 120 (C. 52:18A-78.1
 11 et seq.), or by any agency or authority of this State, either for the
 12 construction or the lease wholly or in part, of one or more buildings
 13 for office space and related facilities to be constructed by an urban
 14 renewal entity or a State agency primarily for use by State
 15 agencies, as defined in section 2 of P. L. 1981, c. 120 (C.
 16 52:18A-78.2); and

17 (4) In which there is, or is to be located, a project approved or
 18 conditionally approved for financial assistance by the federal
 19 government as an Urban Development Action Grant pursuant to
 20 42 U. S. C. § 5318 or laws amendatory or supplementary thereto.

21 *b. The provisions of sections 2 through 11 of P. L. 1949, c. 187*
 22 *(C. 40:55-21.2 through 40:55-21.11) shall not apply to the municipi-*
 23 *pal determination under this section.**

1 4. (New section) "State investment project" means***【**:

2 a. A project undertaken (1) in a State investment blighted area
 3 or (2) in an area that has been designated a blighted area of a
 4 municipality in accordance with P. L. 1949, c. 187 (C. 40:55-21.1
 5 et seq.) or in an area in the municipality adjacent to such blighted
 6 area where the project is or will be an improvement for the pur-
 7 pose of clearance, replanning, development, or redevelopment of
 8 such a blighted area, and (3) any law to the contrary notwith-
 9 standing, whether or not the municipality has adopted a redevelop-
 10 ment plan applicable to that area;

11 b. A project undertaken and executed as the clearance, replan-
 12 ning, development, or redevelopment of a State investment blighted
 13 area, or blighted area or area adjacent to a blighted area, in whole
 14 or in part, in accordance with an agreement with respect to the
 15 land and improvements concerned between a corporation or asso-
 16 ciation and a municipality, agency or authority, which includes the
 17 work to be done in reference to the project, the designation of the
 18 particular proposed buildings to be constructed and their uses and
 19 purposes, the landscaping of the premises, the streets and access
 20 roads, recreational facilities, if any, the furnishing of the public
 21 utilities, the financial arrangements and the terms and conditions
 22 of the proposed municipal cooperation and approval; and

23 c. A project which shall include:**】*** **an improvement, including*
 23A *the construction of buildings and related facilities, landscaping,*
 23B *construction of streets and access roads and utilities in a State*
 23C *investment blighted area of a blighted area which has:**

24 ***(1)*** **a.** A commitment for the lease or other disposition of
 25 more than 50% of the rentable area in the project to State agencies;

26 ***(2)*** **b.** A commitment or conditional commitment for fed-
 27 eral financial assistance under the Urban Development Action
 28 Grant Program established pursuant to 42 U. S. C. § 5318 or laws
 29 amendatory or supplementary thereto; and

30 ***(3)*** **c.** An agreement for cooperation with the New Jersey
 31 Building Authority established pursuant to P. L. 1981, c. 120 (C.
 32 52:18A-78.1 et seq.), or other State agency responsible for the
 33 construction or lease of buildings for office space and related facili-
 34 ties principally for the use of State agencies.

1 5. Section 7 of P. L. 1961, c. 40 (C. 40:55C-46) is amended to
 2 read as follows:

3 7. "Project" means the undertaking and execution of the re-
 4 development of a blighted area, in whole or in part, in accordance
 5 with an agreement with respect to the land and improvements
 6 concerned between the corporation or association and a municipi-
 7 tality, or agency, or authority, and in connection with a redevelop-
 8 ment plan adopted pursuant to the procedures specified in P. L.
 9 1949, c. 306 (C. 40:55C-17(b)), including the work to be done in
 10 reference thereto, the designation of the particular proposed build-
 11 ings to be constructed and their uses and purposes, the landscaping
 12 of the premises, the streets and access roads, recreational facilities,
 13 if any, the furnishing of the public utilities, the financial arrange-
 14 ments and the terms and conditions of the proposed municipal
 15 cooperation and approval, *and also means a "State investment*
 16 *project."*

1 6. Section 14 of P. L. 1961, c. 40 (C. 40:55C-53) is amended to
 2 read as follows:

3 14. When any municipality or agency or authority thereof has
 4 acquired land or land and improvements constituting or being a
 5 part of a blighted area, pursuant to [chapter 187 of the laws of
 6 1949] *P. L. 1949, c. 187* (C. 40:55-21.1 et seq.), [chapter 300 of the
 7 laws of 1949] *P. L. 1949, c. 300* (C. 55:14A-31 et seq.), or [chapter
 8 306 of the laws of 1949] *P. L. 1949, c. 306* (C. 40:55C-1 et seq.),
 9 the governing body of the municipality, or the agency or authority,
 10 or resolution, may make such land, or land and improvements
 11 available for use for a project by an urban renewal corporation
 12 or association, qualified under this act or any supplement thereto,
 13 by private sale or lease of not less than 15 years, upon such terms
 14 and conditions as shall be agreed upon by the said governing body
 15 or said agency or authority and said corporation or association.
 16 Any such resolution shall include a determination of the use value
 17 of the said land and the price to be paid therefor by the said corpo-
 18 ration or association shall not be less than the amount so deter-
 19 mined.

20 *Land acquired by any municipality or agency thereof in a State*
 21 *investment blighted area, or adjacent to an area that has been*
 22 *determined to be blighted in accordance with P. L. 1949, c. 187*
 23 *(C. 40:55C-21.1 et seq.) may also be made available to an urban*
 24 *renewal corporation or association on those terms and conditions,*
 25 *but only in connection with a State investment project.*

1 7. Section 15 of P. L. 1961, c. 40 (C. 40:55C-54) is amended to
 2 read as follows:

3 15. Any corporation formed, or which shall be formed, under
 4 Title 14[, "Corporation, General"] of the Revised Statutes or

5 *Title 14A of the New Jersey Statutes* may qualify to operate under
6 the provisions of this act, if its certificate of incorporation, origi-
7 nally or by amendment thereof, shall contain the following pro-
8 visions:

9 (a) The name of the corporation shall include the words "urban
10 renewal".

11 (b) The object for which it is formed shall be to operate under
12 this act and to initiate and conduct projects for the clearance,
13 replanning, development and redevelopment of blighted areas *or*
14 *areas adjacent thereto or State investment blighted areas* in munic-
15 ipalities and, when so authorized by financial agreement with a
16 municipality pursuant to this act, to acquire by purchase or lease
17 of not less than 15 years from a public or private owner, plan,
18 develop, construct, alter, maintain or operate housing, business,
19 industrial, commercial, cultural or recreational projects or any
20 combination of any two or more such types of improvement in a
21 single project, under such conditions as to use, ownership, man-
22 agement and control as shall be regulated pursuant to this act.

23 (c) A provision that so long as the corporation is obligated under
24 a financial agreement with a municipality made pursuant to this
25 act, it shall engage in no business other than the development,
26 redevelopment, ownership, operation and management of a single
27 project.

28 (d) A declaration that the corporation has been organized to
29 serve a public purpose, that its operations shall be directed toward
30 providing for and making possible the clearance, replanning, de-
31 velopment or redevelopment of blighted areas *or areas adjacent*
32 *thereto or State investment blighted areas* or the acquisition,
33 management and operation of a project hereunder; and that it
34 shall, as provided herein, be subject to regulation by the munici-
35 pality in which its project is situated, and to a limitation on profits
36 and dividends for so long as it remains the owner of a project
37 subject to the provisions of this act, or is by contract or resolution
38 charged with responsibility for administration and management
39 of a condominium or condominium property pursuant to the pro-
40 visions of P. L. 1969, c. 257 (C. 46:8B-1 et seq.).

41 (e) A provision that the corporation shall not voluntarily trans-
42 fer the project undertaken by it under the terms of this act, until it
43 has first removed both itself and the project from all restrictions
44 hereunder in the manner hereinafter set forth; but with a proviso
45 that the foregoing restriction shall not be applied to prevent the
46 transfer of a project to another urban renewal corporation which,
47 with the consent of the municipality in which the project is located,

48 shall assume all the contractual obligations of the transferor
49 corporation under its financial agreement with the said
50 municipality.

1 8. Section 13 of P. L. 1967, c. 114 (C. 40:55C-55.1) is amended
2 to read as follows:

3 13. Any two or more persons, may qualify to operate as a
4 partnership, limited partnership, limited partnership association
5 or other unincorporated association or entity by filing such
6 certificate or statement as may be required by any statute govern-
7 ing the form selected and in addition to any other requirement
8 contained therein incorporate the following provisions:

9 (a) The name of the association or the trade name under which
10 the association shall conduct its business shall include the words
11 "urban renewal".

12 (b) The object for which it is formed shall be to operate under
13 this act or the act to which this is a supplement and to initiate and
14 conduct projects for the clearance, replanning, development and
15 redevelopment of blighted areas *or areas adjacent thereto or State*
16 *investment blighted areas* in municipalities and, when so authorized
17 by financial agreement with a municipality pursuant to this act
18 or the act to which this is a supplement, to acquire, plan, develop,
19 construct, alter, maintain or operate housing, business, industrial,
20 commercial, cultural or recreational project or any combination of
21 any two or more such types of improvement in a single project,
22 under such conditions as to use, ownership, management and con-
23 trol as shall be regulated pursuant to this act or the act to which
24 this is a supplement.

25 (c) A provision that so long as the association is obligated under
26 a financial agreement with a municipality made pursuant to this
27 act or the act to which this is a supplement, it shall engage in no
28 business other than the ownership, development, redevelopment,
29 operation and management of a single project.

30 (d) A declaration that the association has been organized to
31 serve a public purpose, that its operations shall be directed toward
32 providing for and making possible the clearance, replanning, de-
33 velopment or redevelopment of blighted areas *or areas adjacent*
34 *thereto or State investment blighted areas* or the acquisition, man-
35 agement and operation of a project hereunder; and that it shall,
36 as provided herein, be subject to regulation by the municipality
37 in which its project is situated, and to a limitation on profits for
38 so long as it remains the owner of a project subject to the pro-
39 visions of this act or the act to which this is a supplement, or is by
40 contract charged with responsibility for administration and man-

41 agement of a condominium or condominium property pursuant to
 42 the provisions of P. L. 1969, c. 257 (C. 46:8B-1 et seq.).

43 (e) A provision that the association shall not voluntarily trans-
 44 fer the project undertaken by it under the terms of this act or the
 45 act to which this is a supplement, until it has first removed both
 46 itself and the project from all restrictions hereunder in the manner
 47 hereinafter set forth; but with a proviso that the foregoing restric-
 48 tion shall not be applied to prevent the transfer of a project to
 49 another urban renewal association or corporation which, with the
 50 consent of the municipality in which the project is located, shall
 51 assume all the contractual obligations of the transferor association
 52 or corporation under its financial agreement with the said
 53 municipality.

54 If the association shall not by reason of any other law be re-
 55 quired to file a certificate or statement, then the said association
 56 in addition to the requirements set forth above shall file a certifi-
 57 cate in the office of the clerk of the county in which its principal
 58 place of business is located setting forth its full name and the name
 59 under which it shall do business, its duration, the location of its
 60 principal offices and the name of a person or persons upon whom
 61 service may be effected and the name and address and extent of
 62 each person having any ownership or proprietary interest therein.

1 9. Section 18 of P. L. 1961, c. 40 (C. 40:55C-57) is amended
 2 to read as follows:

3 18. An urban renewal corporation or association in carrying out
 4 projects may:

5 (a) Accept loans *and grants* from the federal government, the
 6 State or a political subdivision thereof or other public agency in
 7 aid of a development or redevelopment project owned or to be
 8 acquired or undertaken by the corporation or association.

9 (b) Obtain, or aid in obtaining, from the federal government
 10 any insurance or guarantee, or commitment therefor, as to, or for
 11 the payment or repayment of interest or principal, or both, or any
 12 part thereof, of any loan or other extension of credit, or of any
 13 instrument evidencing or securing the same, obtained or to be
 14 obtained or entered into by it, and to enter into any agreement or
 15 contract, or execute any instrument whatsoever with respect to any
 16 such insurance or guarantee.

1 10. Section 2 of P. L. 1978, c. 93 (C. 40:55C-46.1) is amended
 2 to read as follows:

3 2. As used in this act, "redevelopment" means, in the case of a
 4 *residential* condominium project to be undertaken pursuant to this
 5 amendatory and supplementary act, the process of repairing, reno-

6 vating, restoring or reconstructing those elements of any buildings
7 or structures which have fallen into decay and disuse so that such
8 buildings or structures may be utilized for residential use; pro-
9 vided that:

10 a. The portion of the total project cost attributable to redevelop-
11 ment, as certified by a licensed architect, is 20% or more of the
12 assessed valuation of the land and improvements to be redeveloped
13 as established in the tax year immediately prior to the under-
14 taking of the project; and,

15 b. The land and improvements after redevelopment are all
16 subjected to a master deed pursuant to P. L. 1969, c. 257
17 (C. 46:8B-1 et seq.).

1 11. Section 1 of P. L. 1978, c. 93 (C. 40:55C-58.1) is amended
2 to read as follows:

3 1. Notwithstanding anything to the contrary contained in the act
4 to which this act is amendatory and supplementary, when an urban
5 renewal corporation or an urban renewal association, being a party
6 to a financial agreement prepared in compliance with sections 20
7 to 25, inclusive, of said act (C. 40:55C-59 to 40:55C-64), files a
8 master deed pursuant to P. L. 1969, c. 257 (C. 46:8B-1 et seq.)
9 creating a condominium as to all or a portion of a project which
10 has been approved for tax exemption under section 19 of said act
11 (C. 40:55C-58), each unit of the condominium whether owned by
12 the urban renewal corporation, urban renewal association or a
13 successor unit purchaser of either, shall continue to be subject
14 to the provisions of said act, as modified in this section, and the
15 tax exemption previously approved under the provisions of said
16 act with respect to the property converted to condominium owner-
17 ship shall be unaffected by the recording of the master deed or
18 any subsequent deed conveying the condominium unit and its
19 appurtenant interest in the common elements. **[A]** *In an instance*
20 *of housing*, a tax exemption granted pursuant to this act to any
21 single condominium unit shall continue in effect only during that
22 time that an owner of such unit, not including an urban renewal
23 corporation or association, personally resides therein. **[Such]** A
24 tax exemption shall continue as to the condominium unit and its
25 appurtenant undivided interest in the common elements subject to
26 all of the following:

27 a. "Annual gross revenue" shall mean, when used with respect
28 to any **[such]** *housing* condominium project, the amount equal to
29 the annual aggregate constant payments to principal and interest,
30 assuming a purchase money mortgage encumbering the condo-
31 minium unit to have been in an original amount equal to the initial

32 value of the unit with its appurtenant interest in the common
33 elements as stated in the master deed, if unsold by the urban re-
34 newal corporation or association, or, if the unit is held by a unit
35 purchaser, from time to time, the most recent true consideration
36 paid for a deed to the condominium unit in a bona fide arms length
37 sale transaction, but not less than the initial assessed valuation of
38 the condominium unit assessed at 100% of true value, plus the
39 total amount of common expenses charged to the unit pursuant to
40 the bylaws of the condominium association. The constant payments
41 to principal and interest shall be calculated by assuming a loan
42 amount as aforesaid at the maximum lawful interest rate under
43 R. S. 31:1-1 as of the date of recording of the unit deed, for a term
44 equal to the full term of the exemption from taxation stipulated
45 in the financial agreement.

46 b. There is expressly excluded from calculation of annual gross
47 revenue and from allowable net profit any gain realized on the sale
48 of a condominium unit, whether or not taxable under applicable
49 federal or State laws.

50 c. The conveyance of a condominium unit which is subject to
51 the provisions of a financial agreement to a bona fide unit purchaser
52 grantee shall not require consent or approval of the municipality,
53 and the grantee shall, by virtue hereof, acquire title to the unit
54 subject to the requirement for payment of the annual service
55 charge and other provisions thereof expressly applicable to con-
56 dominium unit purchasers under the provisions of said act, and
57 the exemption from taxation as to such condominium unit shall
58 continue unaffected by such transfer, but, *in an instance of housing*,
59 only during such time as a unit owner personally resides therein.

1 12. Section 26 of P. L. 1961, c. 40 (C. 40:55C-65) is amended
2 to read as follows:

3 26. The rehabilitation or improvements made in the develop-
4 ment or redevelopment of a blighted area *or area adjacent thereto*
5 *or State investment blighted area*, pursuant to this act, shall be
6 exempt from taxation for a period of not more than 20 years from
7 the date of the execution of a financial agreement for the develop-
8 ment or redevelopment of the property upon which the improve-
9 ments are to be made pursuant to a financial agreement entered
10 into with the municipality in which said area is situate, provided,
11 in an instance of housing the redevelopment or improvements shall
12 be exempt from taxation for a period of 35 years. Any such exemp-
13 tion shall be claimed and allowed in the same or a similar manner
14 as in the case of other real property exemptions and no such claim
15 shall be allowed unless the municipality wherein said property is

16 situated shall certify that a financial agreement with an urban
17 renewal corporation or association for the development or the re-
18 development of the property has been entered into and is in effect
19 as required by the provisions of this act. In event that an exemp-
20 tion status changes during a tax year, the procedure for the ap-
21 portionment of the taxes for said year shall be the same as in the
22 case of other changes in tax exemptions status during the tax year.

23 With respect to any projects or portions of any projects *which*
24 *are not housing projects* devoted to condominium ownership pur-
25 suant to P. L. 1969, c. 257 (C. 46:8B-1 et seq.), the urban renewal
26 corporation or association shall make payment to the municipality
27 of an annual service charge for municipal services supplied to said
28 project, in an annual amount equal to 15% of the annual gross
29 revenues from each unit of the project, if the project is undertaken
30 in units, or from the total project if the project is not undertaken
31 in units, for each of the years of operation commencing with the
32 date of the completion of such unit or of the project, as the case
33 may be.

34 Where all or part of a *housing* project is devoted to condominium
35 ownership by the recording of a master deed pursuant to P. L. 1969,
36 c. 257 (C. 46:8B-1 et seq.), the project or portions thereof so utilized
37 shall be liable for, and the urban renewal corporation or associa-
38 tion, or a condominium owner, as the case may be, shall pay to
39 the municipality, an amount equal to 15% of the annual gross
40 revenue from each condominium unit in the project, or the con-
41 dominium unit owned, as the case may be, for each of the first 10
42 years of operation commencing upon the date of the completion of
43 the project, or each condominium unit, if the project is under-
44 taken in units, as the case may be. For the remainder of the period
45 of the exemption, the annual service charge shall be determined
46 in the same manner as provided in this paragraph, subject to the
47 following modifications:

48 a. For the eleventh year and for each succeeding year thereafter
49 through the fifteenth year, an amount equal to either 15% of the
50 annual gross revenue, or 20% of the amount of taxes otherwise due
51 on the value of the land and improvements, whichever shall be
52 greater;

53 b. For the sixteenth year and for each succeeding year there-
54 after through the twentieth year, an amount equal to either 15%
55 of the annual gross revenue, or 40% of the amount of taxes other-
56 wise due on the value of the land and improvements, whichever
57 shall be greater;

58 c. For the twenty-first year and for each succeeding year there-

59 after through the twenty-fifth year, an amount equal to either 15%
60 of the annual gross revenue, or 60% of the amount of taxes other-
61 wise due on the value of the land and improvements, whichever
62 shall be greater; and,

63 d. For the twenty-sixth year and for each succeeding year there-
64 after through the thirtieth year, an amount equal to either 15%
65 of the annual gross revenue, or 80% of the amount of taxes other-
66 wise due on the value of the land and improvements, whichever
67 shall be greater.

68 Where because of the nature of the development, ownership,
69 use or occupancy of the project or any unit thereof if the project
70 is to be undertaken in units, the total annual gross rental cannot
71 be reasonably ascertained under the provisions of section 12 of
72 this act (C. 40:55C-51), the governing body shall provide in the
73 financial agreement that the annual service charge shall be a sum
74 equal to 2% of the total project cost or total project unit cost
75 determined pursuant to section 8 of this act (C. 40:55C-47),
76 calculated from the first day of the month following the substantial
77 completion of the project or any unit thereof if the project is under-
78 taken in units; provided, however, that in no event shall such
79 payment together with the taxes on the land, in any year after
80 first occupancy of the project be less than the total taxes assessed
81 on all real property in the area covered by the project in the
82 calendar year immediately preceding the acquisition of the said
83 area by the municipality or its agency, or by the private or public
84 owner from whom the urban renewal corporation acquired the land.

85 The aforesaid payment shall be made annually within 30 days
86 after the close of each such calendar year.

87 Against such annual charge the corporation or association, or,
88 in the case of a condominium unit, the unit owner, shall be entitled
89 to credit for the amount, without interest, of the real estate taxes
90 on land paid by it in the last four preceding quarterly installments.
91 On or before January 15 in each year each taxing district shall
92 report to the county board of taxation, in such form as shall be
93 approved by the Director of the Division of Taxation, the amount
94 of the service charge in excess of the taxes on the land chargeable
95 for the preceding calendar year for each project or unit thereof
96 subject to the provisions of this act. The county tax board shall
97 capitalize the amount so reported by each taxing district by
98 dividing the same by the tax rate per \$100.00 of valuation for the
99 taxing district for the preceding year and multiplying the
100 resultant quotient by 100. The result of such capitalization shall
101 be included in the ensuing table of aggregates in a separate column

102 as locally assessed real estate and shall be equalized in the same
103 manner as other real estate for the purposes of apportionment of
104 county taxes.

105 At the end of 20 years from the date of the execution of said
106 financial agreement or earlier at the end of 15 years of operation
107 of any unit, if the project is undertaken in units, or the entire
108 project, if it is not undertaken in units, whichever occurs first, the
109 tax exemption upon said unit, if the project is undertaken in units,
110 or upon the entire project, if the project is not undertaken in units,
111 shall cease and the improvements and any other property of the
112 corporation or association as well as the land shall be assessed
113 and taxed, according to general law, like other property in the
114 municipality. In an instance of housing, the exemptions shall cease
115 as provided above at the end of 35 years from the date of execution
116 of the financial agreement or earlier at the end of 30 years of the
117 operation of any unit, if the project is undertaken in units, or of
118 the entire project if it is not undertaken in units, whichever first
119 occurs, or if the project is devoted to condominium ownership at
120 the end of 30 years after the recording of the master deed.

121 At the same date all restrictions and limitations upon the corpo-
122 ration or association shall terminate and be at an end upon the
123 corporation's or association's rendering its final account with the
124 municipality.

1 13. This act shall take effect immediately.

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STATEMENT

This bill designates certain urban areas as State investment blighted areas and includes those areas within the constitutional provision granting real property tax exemptions and providing for condemnation powers with respect to those areas. The bill allows urban renewal corporations or associations to develop these areas.

State investment blighted areas are those whose redevelopment requires and is likely to receive extensive government assistance; are located in municipalities qualified for State urban aid; are located in areas of rehabilitation and designated for the construction of buildings to house State agencies; and are the subject of federal Urban Development Action Grants.

It is the intention of this bill to provide certain criteria for urban renewal corporations or associations to undertake State investment projects, but these criteria and other conditions or requirements that may pertain to State investment projects are not intended to affect or alter the requirements applicable by law to projects which are not State investment projects.
