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COMMITTEE STATEMENT: **ASSEMBLY:** Yes

SENATE: No

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, ***may possibly*** be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT: No

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P.L. 2025, CHAPTER 91, *approved July 8, 2025*
Senate, No. 3787 (*Fourth Reprint*)

1 AN ACT concerning certain payments in lieu of taxes under the
2 "Long Term Tax Exemption Law" and amending P.L.1991, c.431
3 ⁴and R.S.54:4-74⁴.
4
5 BE IT ENACTED by the Senate and General Assembly of the State
6 of New Jersey:
7
8 1. Section 9 of P.L.1991, c.431 (C.40A:20-9) is amended to
9 read as follows:
10 9. Every approved project shall be evidenced by a financial
11 agreement between the municipality and the urban renewal entity.
12 The agreement shall be prepared by the entity and submitted as a
13 separate part of its application for project approval. The agreement
14 shall not take effect until approved by ordinance of the
15 municipality. The municipality shall notify the chief financial
16 officer of the county and the clerk to the board of county
17 commissioners of the county within which the municipality is
18 located of the date, time, and place of the public hearing required to
19 be held prior to the passage of the ordinance. Any amendments or
20 modifications of the agreement made thereafter shall be by mutual
21 consent of the municipality and the urban renewal entity, and shall
22 be subject to approval by ordinance of the municipal governing
23 body upon recommendation of the mayor or other chief executive
24 officer of the municipality prior to taking effect.
25 The financial agreement shall be in the form of a contract
26 requiring full performance within 30 years from the date of
27 completion of the project, and shall include the following:
28 a. That the profits of or dividends payable by the urban
29 renewal entity shall be limited according to terms appropriate for
30 the type of entity in conformance with the provisions of P.L.1991,
31 c.431 (C.40A:20-1 et seq.).
32 b. That all improvements and land, to the extent authorized
33 pursuant to section 12 of P.L.1991, c.431 (C.40A:20-12), in the
34 project to be constructed or acquired by the urban renewal entity
35 shall be exempt from taxation as provided in
36 P.L.1991, c.431 (C.40A:20-1 et seq.).
37 c. That the urban renewal entity shall make payments for
38 municipal services as provided in P.L.1991, c.431 (C.40A:20-1 et
39 seq.).

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 December 5, 2024.
²Senate floor amendments adopted December 19, 2024.
³Senate floor amendments adopted January 14, 2025.
⁴Assembly ASL committee amendments adopted May 15, 2025.

1 d. That the urban renewal entity shall submit annually, within
2 90 days after the close of its fiscal year, its auditor's reports to the
3 mayor and governing body of the municipality.

4 e. That the urban renewal entity shall, upon request, permit
5 inspection of property, equipment, buildings and other facilities of
6 the entity, and also permit examination and audit of its books,
7 contracts, records, documents and papers by authorized
8 representatives of the municipality or the State.

9 f. That in the event of any dispute between the parties matters
10 in controversy shall be resolved by arbitration in the manner
11 provided in the financial agreement.

12 g. That operation under the financial agreement shall be
13 terminable by the urban renewal entity in the manner provided by
14 P.L.1991, c.431 (C.40A:20-1 et seq.).

15 h. That the urban renewal entity shall at all times prior to the
16 expiration or other termination of the financial agreement remain
17 bound by the provisions of P.L.1991, c.431 (C.40A:20-1 et seq.).

18 The financial agreement shall contain detailed representations
19 and covenants by the urban renewal entity as to the manner in
20 which it proposes to use, manage or operate the project. The
21 financial agreement shall further set forth the method for computing
22 gross revenue for the urban renewal entity, the method of
23 determining insurance, operating and maintenance expenses paid by
24 a tenant which are ordinarily paid by a landlord, the plans for
25 financing the project, including the estimated total project cost, the
26 amortization rate on the total project cost, the source of funds, the
27 interest rates to be paid on the construction financing, the source
28 and amount of paid-in capital, the terms of mortgage amortization
29 or payment of principal on any mortgage, a good faith projection of
30 initial sales prices of any condominium units and expenses to be
31 incurred in promoting and consummating such sales, and the rental
32 schedules and lease terms to be used in the project. Any financial
33 agreement may allow the municipality to levy an annual
34 administrative fee, not to exceed two percent of the annual service
35 charge.

36 (cf: P.L.2015, c.95, s.28)

37

38 2. Section 12 of P.L.1991, c.431 (C.40A:20-12) is amended to
39 read as follows:

40 12. The rehabilitation or improvements made in the development
41 or redevelopment of a redevelopment area or area appurtenant
42 thereto or for a redevelopment relocation housing project, pursuant
43 to P.L.1991, c.431 (C.40A:20-1 et seq.), shall be exempt from
44 taxation for a limited period as hereinafter provided. When housing
45 is to be constructed, acquired or rehabilitated by an urban renewal
46 entity, the land upon which that housing is situated shall be exempt
47 from taxation for a limited period as hereinafter provided. The

1 exemption shall be allowed when the clerk of the municipality
2 wherein the property is situated shall certify to the municipal tax
3 assessor that a financial agreement with an urban renewal entity for
4 the development or the redevelopment of the property, or the
5 provision of a redevelopment relocation housing project, or the
6 provision of a low and moderate income housing project has been
7 entered into and is in effect as required by P.L.1991, c.431
8 (C.40A:20-1 et seq.).

9 Delivery by the municipal clerk to the municipal tax assessor of
10 a certified copy of the ordinance of the governing body approving
11 the tax exemption and financial agreement with the urban renewal
12 entity shall constitute the required certification. For each
13 exemption granted pursuant to P.L.2003, c.125 (C.40A:12A-4.1 et
14 al.), upon certification as required hereunder, the tax assessor shall
15 implement the exemption and continue to enforce that exemption
16 without further certification by the clerk until the expiration of the
17 entitlement to exemption by the terms of the financial agreement or
18 until the tax assessor has been duly notified by the clerk that the
19 exemption has been terminated.

20 Within 10 calendar days following the later of the effective date
21 of an ordinance following its final adoption by the governing body
22 approving the tax exemption or the execution of the financial
23 agreement by the urban renewal entity, the municipal clerk shall
24 transmit a certified copy of the ordinance and financial agreement
25 to the chief financial officer of the county and to the county counsel
26 for informational purposes.

27 Whenever an exemption status changes during a tax year, the
28 procedure for the apportionment of the taxes for the year shall be
29 the same as in the case of other changes in tax exemption status
30 during the tax year. Tax exemptions granted pursuant to P.L.2003,
31 c.125 (C.40A:12A-4.1 et al.) represent long term financial
32 agreements between the municipality and the urban renewal entity
33 and as such constitute a single continuing exemption from local
34 property taxation for the duration of the financial agreement. The
35 validity of a financial agreement or any exemption granted pursuant
36 thereto may be challenged only by filing an action in lieu of
37 prerogative writ within 20 days from the publication of a notice of
38 the adoption of an ordinance by the governing body granting the
39 exemption and approving the financial agreement. Such notice
40 shall be published in a newspaper of general circulation in the
41 municipality and in a newspaper of general circulation in the county
42 if different from the municipal newspaper.

43 a. The financial agreement shall specify the duration of the
44 exemption for urban renewal entities in accordance with the
45 parameters of either paragraph (1) or paragraph (2) of this
46 subsection:

1 (1) the financial agreement may specify a duration of not more
2 than 30 years from the completion of the entire project, or unit of
3 the project if the project is undertaken in units, or not more than 35
4 years from the execution of the financial agreement between the
5 municipality and the urban renewal entity; or

6 (2) for each project undertaken pursuant to a redevelopment
7 agreement which allows the redeveloper to undertake two or more
8 projects sequentially, the financial agreement may specify a
9 duration of not more than 30 years from the completion of a project,
10 or unit of the project if the project is undertaken in units, or not
11 more than 50 years from the execution of the first financial
12 agreement implementing a project under the redevelopment
13 agreement. As used in this subsection, "redevelopment agreement"
14 means an agreement entered into pursuant to subsection f. of section
15 8 of P.L.1992, c.79 (C.40A:12A-8) between a municipality or
16 redevelopment entity and a redeveloper.

17 A financial agreement may provide for an exemption period of
18 less than 30 years from the completion of the entire project, less
19 than 35 years from the execution of the financial agreement, or less
20 than 50 years from the execution of the first financial agreement
21 implementing a project under the redevelopment agreement.
22 Nothing in this subsection shall be construed as requiring a
23 financial agreement for a project undertaken pursuant to a
24 redevelopment agreement which allows the redeveloper to
25 undertake two or more projects sequentially to specify a duration
26 within the parameters of paragraph (2) of this subsection.

27 b. During the term of any exemption, in lieu of any taxes to be
28 paid on the buildings and improvements of the project and, to the
29 extent authorized pursuant to this section, on the land, the urban
30 renewal entity shall make payment to the municipality of an annual
31 service charge, which shall remit a portion of that revenue to the
32 county as provided hereinafter. In addition, the municipality may
33 assess an administrative fee, not to exceed two percent of the annual
34 service charge, for the processing of the application. The annual
35 service charge for municipal services supplied to the project to be
36 paid by the urban renewal entity for any period of exemption, shall
37 be determined as follows:

38 (1) An annual amount equal to a percentage determined
39 pursuant to this subsection and section 11 of P.L.1991, c.431
40 (C.40A:20-11), of the annual gross revenue from each unit of the
41 project, if the project is undertaken in units, or from the total
42 project, if the project is not undertaken in units. The percentage of
43 the annual gross revenue shall not be more than 15 **【%】** percent in
44 the case of a low and moderate income housing project, nor less
45 than 10 **【%】** percent in the case of all other projects.

46 At the option of the municipality, or where because of the nature
47 of the development, ownership, use or occupancy of the project or

1 any unit thereof, if the project is to be undertaken in units, the total
2 annual gross rental or gross shelter rent or annual gross revenue
3 cannot be reasonably ascertained, the governing body shall provide
4 in the financial agreement that the annual service charge shall be a
5 sum equal to a percentage determined pursuant to this subsection
6 and section 11 of P.L.1991, c.431 (C.40A:20-11), of the total
7 project cost or total project unit cost determined pursuant to
8 P.L.1991, c.431 (C.40A:20-1 et seq.) calculated from the first day
9 of the month following the substantial completion of the project or
10 any unit thereof, if the project is undertaken in units. The
11 percentage of the total project cost or total project unit cost shall not
12 be more than **【2%】** two percent in the case of a low and moderate
13 income housing project, and shall not be less than **【2%】** two
14 percent in the case of all other projects.

15 (2) In either case, the financial agreement shall establish a
16 schedule of annual service charges to be paid over the term of the
17 exemption period, which shall be in stages as follows:

18 (a) For the first stage of the exemption period, which shall
19 commence with the date of completion of the unit or of the project,
20 as the case may be, and continue for a time of not less than six years
21 nor more than 15 years, as specified in the financial agreement, the
22 urban renewal entity shall pay the municipality an annual service
23 charge for municipal services supplied to the project in an annual
24 amount equal to the amount determined pursuant to paragraph (1) of
25 this subsection and section 11 of P.L.1991, c.431 (C.40A:20-11).
26 For the remainder of the period of the exemption, if any, the annual
27 service charge shall be determined as follows:

28 (b) For the second stage of the exemption period, which shall
29 not be less than one year nor more than six years, as specified in the
30 financial agreement, an amount equal to either the amount
31 determined pursuant to paragraph (1) of this subsection and section
32 11 of P.L.1991, c.431 (C.40A:20-11), or 20 **【%】** percent of the
33 amount of taxes otherwise due on the value of the land and
34 improvements, whichever shall be greater;

35 (c) For the third stage of the exemption period, which shall not
36 be less than one year nor more than six years, as specified in the
37 financial agreement, an amount equal to either the amount
38 determined pursuant to paragraph (1) of this subsection and section
39 11 of P.L.1991, c.431 (C.40A:20-11), or 40 **【%】** percent of the
40 amount of taxes otherwise due on the value of the land and
41 improvements, whichever shall be greater;

42 (d) For the fourth stage of the exemption period, which shall not
43 be less than one year nor more than six years, as specified in the
44 financial agreement, an amount equal to either the amount
45 determined pursuant to paragraph (1) of this subsection and section
46 11 of P.L.1991, c.431 (C.40A:20-11), or 60 **【%】** percent of the

1 amount of taxes otherwise due on the value of the land and
2 improvements, whichever shall be greater; and

3 (e) For the final stage of the exemption period, the duration of
4 which shall not be less than one year and shall be specified in the
5 financial agreement, an amount equal to either the amount
6 determined pursuant to paragraph (1) of this subsection and section
7 11 of P.L.1991, c.431 (C.40A:20-11), or 80 **[%]** percent of the
8 amount of taxes otherwise due on the value of the land and
9 improvements, whichever shall be greater.

10 If the financial agreement provides for an exemption period of
11 less than 30 years from the completion of the entire project, less
12 than 35 years from the execution of the financial agreement, or less
13 than 50 years from the execution of the first financial agreement
14 implementing a project under the redevelopment agreement, the
15 financial agreement shall set forth a schedule of annual service
16 charges for the exemption period which shall be based upon the
17 minimum service charges and staged adjustments set forth in this
18 section.

19 The annual service charge shall be paid to the municipality on a
20 quarterly basis in a manner consistent with the municipality's tax
21 collection schedule.

22 Each municipality which enters into a financial agreement on or
23 after the effective date of P.L.2003, c.125 (C.40A:12A-4.1 et al.)
24 shall remit five percent of the annual service charge collected by the
25 municipality ⁴**[directly]**⁴ to the county **[in accordance with the**
26 **provisions of R.S.54:4-74]** ⁴in accordance with the provisions of
27 R.S.54:4-74⁴. ²**[Upon receipt of the annual service charge, the**
28 municipal tax collector ¹or financial officer¹ shall immediately
29 notify the municipality and the chief financial officer of the county
30 within which the municipality is located. Within seven days of the
31 notification, the municipal tax collector ¹or financial officer¹ shall
32 directly transmit the five percent remittance to the chief financial
33 officer of the county] ⁴**[On** ³**[a quarterly basis]** the dates specified
34 pursuant to R.S.54:4-66 concerning the payment of municipal
35 taxes³, the municipal tax collector or finance officer in a
36 municipality that receives an annual service charge shall notify the
37 chief financial officer of the county within which the municipality
38 is located that the municipality received an annual service charge
39 and ³, pursuant to R.S.54:4-74, on the fifteenth day of the month in
40 which each installment of taxes shall become payable,³ shall
41 directly transmit the five percent remittance to the chief financial
42 officer of the county.]⁴ If the five percent remittance due to the
43 county is not paid when due ⁴**[³[.] :** ³**]** ⁴ the unpaid balance thereof
44 and interest, at the rate of one percent per month accrued thereon,
45 together with attorneys' fees and court costs, may be recovered by
46 the county from the municipality in an action filed in a court of

1 competent jurisdiction² ⁴["³; and the] . A⁴ municipal ⁴["tax
 2 collector or"]⁴ finance officer ⁴["shall certificate may"]⁴ be subject to
 3 revocation or suspension ⁴["of their certificate"]⁴ pursuant to
 4 ⁴["section 5 of P.L.1979, c.384 (C.40A:9-145.5) or"]⁴ section 7 of
 5 P.L.1988, c.110 (C.40A:9-140.12) ⁴[", respectively"]³ for willful or
 6 intentional failure, neglect, or refusal to comply with this section⁴. If
 7 the municipality enters into a contract with a board of education
 8 pursuant to section 7 of P.L.2023, c.311 (C.18A:7G-15.1a), the
 9 municipality shall also remit to the board of education such
 10 amounts as may be required under the contract.

11 Against the annual service charge the urban renewal entity shall
 12 be entitled to credit for the amount, without interest, of the real
 13 estate taxes on land paid by it in the last four preceding quarterly
 14 installments.

15 Notwithstanding the provisions of this section or of the financial
 16 agreement, the minimum annual service charge shall be the amount
 17 of the total taxes levied against all real property in the area covered
 18 by the project in the last full tax year in which the area was subject
 19 to taxation, and the minimum annual service charge shall be paid in
 20 each year in which the annual service charge calculated pursuant to
 21 this section or the financial agreement would be less than the
 22 minimum annual service charge.

23 c. All exemptions granted pursuant to the provisions of
 24 P.L.1991, c.431 (C.40A:20-1 et seq.) shall terminate at the time
 25 prescribed in the financial agreement.

26 Upon the termination of the exemption granted pursuant to the
 27 provisions of P.L.1991, c.431 (C.40A:20-1 et seq.), the project, all
 28 affected parcels, land and all improvements made thereto shall be
 29 assessed and subject to taxation as are other taxable properties in
 30 the municipality. After the date of termination, all restrictions and
 31 limitations upon the urban renewal entity shall terminate and be at
 32 an end upon the entity's rendering its final accounting to and with
 33 the municipality.

34 (cf: P.L.2023, c.311, s.26)

35
 36 ⁴3. R.S.54:4-74 is amended to read as follows:

37 54:4-74. For the purpose of this section:

38 "County tax due" or "tax due" means the amount so assessed less
 39 the county's proportionate share of the property taxes no longer owed
 40 by the municipality pursuant to the blue acres property tax exemption
 41 established by subsection b. of section 1 of P.L.2013, c.261 (C.54:4-
 42 3.3g) and less any applicable credit established by subsection e. of
 43 section 1 of P.L.2013, c.261 (C.54:4-3.3g), but shall include all
 44 amounts collected by the county under agreements entered into by
 45 municipalities pursuant to the "Long Term Tax Exemption Law,"
 46 P.L.1991, c.431 (C.40A:20-1 et seq.).

1 The governing body of each municipality shall cause to be paid to
2 the treasurer of the county, in four installments, the amount of county
3 tax due, and the other county taxes required to be assessed and raised
4 in such municipality, on the fifteenth day of the month in which each
5 installment of taxes shall become payable, except, that in those years
6 when the third installment has been determined by the tax collector to
7 be due after August 10, the installment shall be due no later than five
8 days after the twenty-fifth day from when the tax bill was mailed or
9 otherwise delivered pursuant to subsection a. of R.S.54:4-64, but no
10 later than September 15. The amount to be payable as each of the first
11 two installments shall be one-quarter of the total county tax due and
12 one-quarter of the other total county taxes finally levied against the
13 municipality for the preceding year, and the amount to be payable for
14 the third and fourth installments shall be the county tax due, and for
15 the other county taxes the full tax as levied, for the current year, less
16 the amount charged as the first and second installments. The total
17 amount thus found to be payable as the last two installments shall be
18 divided equally for and as each installment. The governing body of
19 each municipality shall cause to be paid to the county treasurer on
20 December fifteenth of each year all of the taxes required to be assessed
21 and raised by taxation in such taxing district for State school and other
22 State purposes.

23 With each installment required to be paid pursuant to this section,
24 the chief municipal finance officer shall provide the following
25 information for each agreement entered into by the municipality,
26 pursuant to the "Long Term Tax Exemption Law," P.L.1991, c.431
27 (C.40A:20-1 et seq.), on after the effective date of P.L.2003, c.125
28 (C.40A:12A-4.1 et seq.):

- 29 a. the project name and address;
30 b. the date on which the municipality entered into the agreement;
31 c. the expiration date of the agreement;
32 d. the amount of the annual service charge to be paid to the
33 municipality;
34 e. the annual amount due to the county;
35 f. the portion of the quarterly service charge installment due to
36 the county;
37 g. the quarterly installment amount collected by the municipality;
38 and
39 h. the amount attributable to the agreement that is included in the
40 installment of county tax due.⁴

41 (cf: P.L.2015, c.247, s.2)

42
43 ⁴**[3.] 4.**⁴ This act shall take effect on the first day of the third
44 month next following the date of enactment, and ⁴, for a financial
45 agreement subject to the provisions of "Long Term Tax Exemption
46 Law," P.L.1991, c.431 (C.40A:20-1 et seq.) that was entered into on or
47 after the effective date of P.L.2003, c.125 (C.40A:12A-4.1 et seq.).⁴

1 shall apply to each annual service charge received ⁴by the tax
2 collector⁴ beginning on or after ⁴that the first day of the third
3 month next following the⁴ date ⁴of enactment⁴.
4
5
6 _____
7
8 Requires municipal tax collectors who obtain payments in lieu of
9 taxes under "Long Term Tax Exemption Law" to transmit county
10 portion directly to county.

CHAPTER 91

AN ACT concerning certain payments in lieu of taxes under the "Long Term Tax Exemption Law" and amending P.L.1991, c.431 and R.S.54:4-74.

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

1. Section 9 of P.L.1991, c.431 (C.40A:20-9) is amended to read as follows:

C.40A:20-9 Financial agreement for approved projects, form and contents of contracts.

9. Every approved project shall be evidenced by a financial agreement between the municipality and the urban renewal entity. The agreement shall be prepared by the entity and submitted as a separate part of its application for project approval. The agreement shall not take effect until approved by ordinance of the municipality. The municipality shall notify the chief financial officer of the county and the clerk to the board of county commissioners of the county within which the municipality is located of the date, time, and place of the public hearing required to be held prior to the passage of the ordinance. Any amendments or modifications of the agreement made thereafter shall be by mutual consent of the municipality and the urban renewal entity and shall be subject to approval by ordinance of the municipal governing body upon recommendation of the mayor or other chief executive officer of the municipality prior to taking effect.

The financial agreement shall be in the form of a contract requiring full performance within 30 years from the date of completion of the project and shall include the following:

- a. That the profits of or dividends payable by the urban renewal entity shall be limited according to terms appropriate for the type of entity in conformance with the provisions of P.L.1991, c.431 (C.40A:20-1 et seq.).
- b. That all improvements and land, to the extent authorized pursuant to section 12 of P.L.1991, c.431 (C.40A:20-12), in the project to be constructed or acquired by the urban renewal entity shall be exempt from taxation as provided in P.L.1991, c.431 (C.40A:20-1 et seq.).
- c. That the urban renewal entity shall make payments for municipal services as provided in P.L.1991, c.431 (C.40A:20-1 et seq.).
- d. That the urban renewal entity shall submit annually, within 90 days after the close of its fiscal year, its auditor's reports to the mayor and governing body of the municipality.
- e. That the urban renewal entity shall, upon request, permit inspection of property, equipment, buildings, and other facilities of the entity, and also permit examination and audit of its books, contracts, records, documents, and papers by authorized representatives of the municipality or the State.
- f. That in the event of any dispute between the parties matters in controversy shall be resolved by arbitration in the manner provided in the financial agreement.
- g. That operation under the financial agreement shall be terminable by the urban renewal entity in the manner provided by P.L.1991, c.431 (C.40A:20-1 et seq.).
- h. That the urban renewal entity shall at all times prior to the expiration or other termination of the financial agreement remain bound by the provisions of P.L.1991, c.431 (C.40A:20-1 et seq.).

The financial agreement shall contain detailed representations and covenants by the urban renewal entity as to the manner in which it proposes to use, manage, or operate the project. The financial agreement shall further set forth the method for computing gross revenue for the urban renewal entity, the method of determining insurance, operating and maintenance expenses paid by a tenant which are ordinarily paid by a landlord, the plans for financing the project, including the estimated total project cost, the amortization rate on the total project

cost, the source of funds, the interest rates to be paid on the construction financing, the source and amount of paid-in capital, the terms of mortgage amortization or payment of principal on any mortgage, a good faith projection of initial sales prices of any condominium units and expenses to be incurred in promoting and consummating such sales, and the rental schedules and lease terms to be used in the project. Any financial agreement may allow the municipality to levy an annual administrative fee, not to exceed two percent of the annual service charge.

2. Section 12 of P.L.1991, c.431 (C.40A:20-12) is amended to read as follows:

C.40A:20-12 Tax exemption, duration.

12. The rehabilitation or improvements made in the development or redevelopment of a redevelopment area or area appurtenant thereto or for a redevelopment relocation housing project, pursuant to P.L.1991, c.431 (C.40A:20-1 et seq.), shall be exempt from taxation for a limited period as hereinafter provided. When housing is to be constructed, acquired or rehabilitated by an urban renewal entity, the land upon which that housing is situated shall be exempt from taxation for a limited period as hereinafter provided. The exemption shall be allowed when the clerk of the municipality wherein the property is situated shall certify to the municipal tax assessor that a financial agreement with an urban renewal entity for the development or the redevelopment of the property, or the provision of a redevelopment relocation housing project, or the provision of a low- and moderate-income housing project has been entered into and is in effect as required by P.L.1991, c.431 (C.40A:20-1 et seq.).

Delivery by the municipal clerk to the municipal tax assessor of a certified copy of the ordinance of the governing body approving the tax exemption and financial agreement with the urban renewal entity shall constitute the required certification. For each exemption granted pursuant to P.L.2003, c.125 (C.40A:12A-4.1 et al.), upon certification as required hereunder, the tax assessor shall implement the exemption and continue to enforce that exemption without further certification by the clerk until the expiration of the entitlement to exemption by the terms of the financial agreement or until the tax assessor has been duly notified by the clerk that the exemption has been terminated.

Within 10 calendar days following the later of the effective date of an ordinance following its final adoption by the governing body approving the tax exemption or the execution of the financial agreement by the urban renewal entity, the municipal clerk shall transmit a certified copy of the ordinance and financial agreement to the chief financial officer of the county and to the county counsel for informational purposes.

Whenever an exemption status changes during a tax year, the procedure for the apportionment of the taxes for the year shall be the same as in the case of other changes in tax exemption status during the tax year. Tax exemptions granted pursuant to P.L.2003, c.125 (C.40A:12A-4.1 et al.) represent long term financial agreements between the municipality and the urban renewal entity and as such constitute a single continuing exemption from local property taxation for the duration of the financial agreement. The validity of a financial agreement or any exemption granted pursuant thereto may be challenged only by filing an action in lieu of prerogative writ within 20 days from the publication of a notice of the adoption of an ordinance by the governing body granting the exemption and approving the financial agreement. Such notice shall be published in a newspaper of general circulation in the municipality and in a newspaper of general circulation in the county if different from the municipal newspaper.

a. The financial agreement shall specify the duration of the exemption for urban renewal entities in accordance with the parameters of either paragraph (1) or paragraph (2) of this subsection:

(1) the financial agreement may specify a duration of not more than 30 years from the completion of the entire project, or unit of the project if the project is undertaken in units, or not more than 35 years from the execution of the financial agreement between the municipality and the urban renewal entity; or

(2) for each project undertaken pursuant to a redevelopment agreement which allows the redeveloper to undertake two or more projects sequentially, the financial agreement may specify a duration of not more than 30 years from the completion of a project, or unit of the project if the project is undertaken in units, or not more than 50 years from the execution of the first financial agreement implementing a project under the redevelopment agreement. As used in this subsection, "redevelopment agreement" means an agreement entered into pursuant to subsection f. of section 8 of P.L.1992, c.79 (C.40A:12A-8) between a municipality or redevelopment entity and a redeveloper.

A financial agreement may provide for an exemption period of less than 30 years from the completion of the entire project, less than 35 years from the execution of the financial agreement, or less than 50 years from the execution of the first financial agreement implementing a project under the redevelopment agreement. Nothing in this subsection shall be construed as requiring a financial agreement for a project undertaken pursuant to a redevelopment agreement which allows the redeveloper to undertake two or more projects sequentially to specify a duration within the parameters of paragraph (2) of this subsection.

b. During the term of any exemption, in lieu of any taxes to be paid on the buildings and improvements of the project and, to the extent authorized pursuant to this section, on the land, the urban renewal entity shall make payment to the municipality of an annual service charge, which shall remit a portion of that revenue to the county as provided hereinafter. In addition, the municipality may assess an administrative fee, not to exceed two percent of the annual service charge, for the processing of the application. The annual service charge for municipal services supplied to the project to be paid by the urban renewal entity for any period of exemption, shall be determined as follows:

(1) An annual amount equal to a percentage determined pursuant to this subsection and section 11 of P.L.1991, c.431 (C.40A:20-11), of the annual gross revenue from each unit of the project, if the project is undertaken in units, or from the total project, if the project is not undertaken in units. The percentage of the annual gross revenue shall not be more than 15 percent in the case of a low- and moderate-income housing project, nor less than 10 percent in the case of all other projects.

At the option of the municipality, or where because of the nature of the development, ownership, use, or occupancy of the project or any unit thereof, if the project is to be undertaken in units, the total annual gross rental or gross shelter rent or annual gross revenue cannot be reasonably ascertained, the governing body shall provide in the financial agreement that the annual service charge shall be a sum equal to a percentage determined pursuant to this subsection and section 11 of P.L.1991, c.431 (C.40A:20-11), of the total project cost or total project unit cost determined pursuant to P.L.1991, c.431 (C.40A:20-1 et seq.) calculated from the first day of the month following the substantial completion of the project or any unit thereof, if the project is undertaken in units. The percentage of the total project cost or total project unit cost shall not be more than two percent in the case of a low- and moderate-income housing project and shall not be less than two percent in the case of all other projects.

(2) In either case, the financial agreement shall establish a schedule of annual service charges to be paid over the term of the exemption period, which shall be in stages as follows:

(a) For the first stage of the exemption period, which shall commence with the date of completion of the unit or of the project, as the case may be, and continue for a time of not less

than six years nor more than 15 years, as specified in the financial agreement, the urban renewal entity shall pay the municipality an annual service charge for municipal services supplied to the project in an annual amount equal to the amount determined pursuant to paragraph (1) of this subsection and section 11 of P.L.1991, c.431 (C.40A:20-11). For the remainder of the period of the exemption, if any, the annual service charge shall be determined as follows:

(b) For the second stage of the exemption period, which shall not be less than one year nor more than six years, as specified in the financial agreement, an amount equal to either the amount determined pursuant to paragraph (1) of this subsection and section 11 of P.L.1991, c.431 (C.40A:20-11), or 20 percent of the amount of taxes otherwise due on the value of the land and improvements, whichever shall be greater;

(c) For the third stage of the exemption period, which shall not be less than one year nor more than six years, as specified in the financial agreement, an amount equal to either the amount determined pursuant to paragraph (1) of this subsection and section 11 of P.L.1991, c.431 (C.40A:20-11), or 40 percent of the amount of taxes otherwise due on the value of the land and improvements, whichever shall be greater;

(d) For the fourth stage of the exemption period, which shall not be less than one year nor more than six years, as specified in the financial agreement, an amount equal to either the amount determined pursuant to paragraph (1) of this subsection and section 11 of P.L.1991, c.431 (C.40A:20-11), or 60 percent of the amount of taxes otherwise due on the value of the land and improvements, whichever shall be greater; and

(e) For the final stage of the exemption period, the duration of which shall not be less than one year and shall be specified in the financial agreement, an amount equal to either the amount determined pursuant to paragraph (1) of this subsection and section 11 of P.L.1991, c.431 (C.40A:20-11), or 80 percent of the amount of taxes otherwise due on the value of the land and improvements, whichever shall be greater.

If the financial agreement provides for an exemption period of less than 30 years from the completion of the entire project, less than 35 years from the execution of the financial agreement, or less than 50 years from the execution of the first financial agreement implementing a project under the redevelopment agreement, the financial agreement shall set forth a schedule of annual service charges for the exemption period which shall be based upon the minimum service charges and staged adjustments set forth in this section.

The annual service charge shall be paid to the municipality on a quarterly basis in a manner consistent with the municipality's tax collection schedule.

Each municipality which enters into a financial agreement on or after the effective date of P.L.2003, c.125 (C.40A:12A-4.1 et al.) shall remit five percent of the annual service charge collected by the municipality to the county in accordance with the provisions of R.S.54:4-74. If the five percent remittance due to the county is not paid when due, the unpaid balance thereof and interest, at the rate of one percent per month accrued thereon, together with attorneys' fees and court costs, may be recovered by the county from the municipality in an action filed in a court of competent jurisdiction. A municipal finance officer certificate may be subject to revocation or suspension pursuant to section 7 of P.L.1988, c.110 (C.40A:9-140.12) for willful or intentional failure, neglect, or refusal to comply with this section. If the municipality enters into a contract with a board of education pursuant to section 7 of P.L.2023, c.311 (C.18A:7G-15.1a), the municipality shall also remit to the board of education such amounts as may be required under the contract.

Against the annual service charge, the urban renewal entity shall be entitled to credit for the amount, without interest, of the real estate taxes on land paid by it in the last four preceding quarterly installments.

Notwithstanding the provisions of this section or of the financial agreement, the minimum annual service charge shall be the amount of the total taxes levied against all real property in the area covered by the project in the last full tax year in which the area was subject to taxation, and the minimum annual service charge shall be paid in each year in which the annual service charge calculated pursuant to this section or the financial agreement would be less than the minimum annual service charge.

c. All exemptions granted pursuant to the provisions of P.L.1991, c.431 (C.40A:20-1 et seq.) shall terminate at the time prescribed in the financial agreement.

Upon the termination of the exemption granted pursuant to the provisions of P.L.1991, c.431 (C.40A:20-1 et seq.), the project, all affected parcels, land, and all improvements made thereto shall be assessed and subject to taxation as are other taxable properties in the municipality. After the date of termination, all restrictions and limitations upon the urban renewal entity shall terminate and be at an end upon the entity's rendering its final accounting to and with the municipality.

3. R.S.54:4-74 is amended to read as follows:

Payment of State and county taxes by municipality.

54:4-74. For the purpose of this section:

"County tax due" or "tax due" means the amount so assessed less the county's proportionate share of the property taxes no longer owed by the municipality pursuant to the blue acres property tax exemption established by subsection b. of section 1 of P.L.2013, c.261 (C.54:4-3.3g) and less any applicable credit established by subsection e. of section 1 of P.L.2013, c.261 (C.54:4-3.3g), but shall include all amounts collected by the county under agreements entered into by municipalities pursuant to the "Long Term Tax Exemption Law," P.L.1991, c.431 (C.40A:20-1 et seq.).

The governing body of each municipality shall cause to be paid to the treasurer of the county, in four installments, the amount of county tax due, and the other county taxes required to be assessed and raised in such municipality, on the fifteenth day of the month in which each installment of taxes shall become payable, except, that in those years when the third installment has been determined by the tax collector to be due after August 10, the installment shall be due no later than five days after the twenty-fifth day from when the tax bill was mailed or otherwise delivered pursuant to subsection a. of R.S.54:4-64, but no later than September 15. The amount to be payable as each of the first two installments shall be one-quarter of the total county tax due and one-quarter of the other total county taxes finally levied against the municipality for the preceding year, and the amount to be payable for the third and fourth installments shall be the county tax due, and for the other county taxes the full tax as levied, for the current year, less the amount charged as the first and second installments. The total amount thus found to be payable as the last two installments shall be divided equally for and as each installment. The governing body of each municipality shall cause to be paid to the county treasurer on December fifteenth of each year all of the taxes required to be assessed and raised by taxation in such taxing district for State school and other State purposes.

With each installment required to be paid pursuant to this section, the chief municipal finance officer shall provide the following information for each agreement entered into by the municipality, pursuant to the "Long Term Tax Exemption Law," P.L.1991, c.431 (C.40A:20-1 et seq.), on after the effective date of P.L.2003, c.125 (C.40A:12A-4.1 et seq.):

- a. the project name and address;
- b. the date on which the municipality entered into the agreement;

- c. the expiration date of the agreement;
- d. the amount of the annual service charge to be paid to the municipality;
- e. the annual amount due to the county;
- f. the portion of the quarterly service charge installment due to the county;
- g. the quarterly installment amount collected by the municipality; and
- h. the amount attributable to the agreement that is included in the installment of county tax due.

4. This act shall take effect on the first day of the third month next following the date of enactment and, for a financial agreement subject to the provisions of "Long Term Tax Exemption Law," P.L.1991, c.431 (C.40A:20-1 et seq.) that was entered into on or after the effective date of P.L.2003, c.125 (C.40A:12A-4.1 et seq.), shall apply to each annual service charge received beginning on or after the first day of the third month next following the date of enactment.

Approved July 8, 2025.

SENATE, No. 3787

STATE OF NEW JERSEY
221st LEGISLATURE

INTRODUCED OCTOBER 10, 2024

Sponsored by:
Senator NICHOLAS P. SCUTARI
District 22 (Somerset and Union)
Senator M. TERESA RUIZ
District 29 (Essex and Hudson)

SYNOPSIS

Requires municipal tax collectors who obtain payments in lieu of taxes under "Long Term Tax Exemption Law" to transmit county portion directly to county.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning certain payments in lieu of taxes under the "Long
2 Term Tax Exemption Law" and amending P.L.1991, c.431.

3

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

6

7 1. Section 9 of P.L.1991, c.431 (C.40A:20-9) is amended to read
8 as follows:

9 9. Every approved project shall be evidenced by a financial
10 agreement between the municipality and the urban renewal entity.
11 The agreement shall be prepared by the entity and submitted as a
12 separate part of its application for project approval. The agreement
13 shall not take effect until approved by ordinance of the municipality.
14 The municipality shall notify the chief financial officer of the county
15 and the clerk to the board of county commissioners of the county
16 within which the municipality is located of the date, time, and place
17 of the public hearing required to be held prior to the passage of the
18 ordinance. Any amendments or modifications of the agreement made
19 thereafter shall be by mutual consent of the municipality and the
20 urban renewal entity, and shall be subject to approval by ordinance
21 of the municipal governing body upon recommendation of the mayor
22 or other chief executive officer of the municipality prior to taking
23 effect.

24 The financial agreement shall be in the form of a contract
25 requiring full performance within 30 years from the date of
26 completion of the project, and shall include the following:

27 a. That the profits of or dividends payable by the urban renewal
28 entity shall be limited according to terms appropriate for the type of
29 entity in conformance with the provisions of P.L.1991, c.431
30 (C.40A:20-1 et seq.).

31 b. That all improvements and land, to the extent authorized
32 pursuant to section 12 of P.L.1991, c.431 (C.40A:20-12), in the
33 project to be constructed or acquired by the urban renewal entity shall
34 be exempt from taxation as provided in P.L.1991, c.431 (C.40A:20-
35 1 et seq.).

36 c. That the urban renewal entity shall make payments for
37 municipal services as provided in P.L.1991, c.431 (C.40A:20-1 et
38 seq.).

39 d. That the urban renewal entity shall submit annually, within 90
40 days after the close of its fiscal year, its auditor's reports to the mayor
41 and governing body of the municipality.

42 e. That the urban renewal entity shall, upon request, permit
43 inspection of property, equipment, buildings and other facilities of
44 the entity, and also permit examination and audit of its books,

**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 contracts, records, documents and papers by authorized
2 representatives of the municipality or the State.

3 f. That in the event of any dispute between the parties matters
4 in controversy shall be resolved by arbitration in the manner provided
5 in the financial agreement.

6 g. That operation under the financial agreement shall be
7 terminable by the urban renewal entity in the manner provided by
8 P.L.1991, c.431 (C.40A:20-1 et seq.).

9 h. That the urban renewal entity shall at all times prior to the
10 expiration or other termination of the financial agreement remain
11 bound by the provisions of P.L.1991, c.431 (C.40A:20-1 et seq.).

12 The financial agreement shall contain detailed representations and
13 covenants by the urban renewal entity as to the manner in which it
14 proposes to use, manage or operate the project. The financial
15 agreement shall further set forth the method for computing gross
16 revenue for the urban renewal entity, the method of determining
17 insurance, operating and maintenance expenses paid by a tenant
18 which are ordinarily paid by a landlord, the plans for financing the
19 project, including the estimated total project cost, the amortization
20 rate on the total project cost, the source of funds, the interest rates to
21 be paid on the construction financing, the source and amount of paid-
22 in capital, the terms of mortgage amortization or payment of principal
23 on any mortgage, a good faith projection of initial sales prices of any
24 condominium units and expenses to be incurred in promoting and
25 consummating such sales, and the rental schedules and lease terms to
26 be used in the project. Any financial agreement may allow the
27 municipality to levy an annual administrative fee, not to exceed two
28 percent of the annual service charge.

29 (cf: P.L.2015, c.95, s.28)

30

31 2. Section 12 of P.L.1991, c.431 (C.40A:20-12) is amended to
32 read as follows:

33 12. The rehabilitation or improvements made in the development
34 or redevelopment of a redevelopment area or area appurtenant thereto
35 or for a redevelopment relocation housing project, pursuant to
36 P.L.1991, c.431 (C.40A:20-1 et seq.), shall be exempt from taxation
37 for a limited period as hereinafter provided. When housing is to be
38 constructed, acquired or rehabilitated by an urban renewal entity, the
39 land upon which that housing is situated shall be exempt from
40 taxation for a limited period as hereinafter provided. The exemption
41 shall be allowed when the clerk of the municipality wherein the
42 property is situated shall certify to the municipal tax assessor that a
43 financial agreement with an urban renewal entity for the development
44 or the redevelopment of the property, or the provision of a
45 redevelopment relocation housing project, or the provision of a low
46 and moderate income housing project has been entered into and is in
47 effect as required by P.L.1991, c.431 (C.40A:20-1 et seq.).

1 Delivery by the municipal clerk to the municipal tax assessor of a
2 certified copy of the ordinance of the governing body approving the
3 tax exemption and financial agreement with the urban renewal entity
4 shall constitute the required certification. For each exemption
5 granted pursuant to P.L.2003, c.125 (C.40A:12A-4.1 et al.), upon
6 certification as required hereunder, the tax assessor shall implement
7 the exemption and continue to enforce that exemption without further
8 certification by the clerk until the expiration of the entitlement to
9 exemption by the terms of the financial agreement or until the tax
10 assessor has been duly notified by the clerk that the exemption has
11 been terminated.

12 Within 10 calendar days following the later of the effective date
13 of an ordinance following its final adoption by the governing body
14 approving the tax exemption or the execution of the financial
15 agreement by the urban renewal entity, the municipal clerk shall
16 transmit a certified copy of the ordinance and financial agreement to
17 the chief financial officer of the county and to the county counsel for
18 informational purposes.

19 Whenever an exemption status changes during a tax year, the
20 procedure for the apportionment of the taxes for the year shall be the
21 same as in the case of other changes in tax exemption status during
22 the tax year. Tax exemptions granted pursuant to P.L.2003, c.125
23 (C.40A:12A-4.1 et al.) represent long term financial agreements
24 between the municipality and the urban renewal entity and as such
25 constitute a single continuing exemption from local property taxation
26 for the duration of the financial agreement. The validity of a financial
27 agreement or any exemption granted pursuant thereto may be
28 challenged only by filing an action in lieu of prerogative writ within
29 20 days from the publication of a notice of the adoption of an
30 ordinance by the governing body granting the exemption and
31 approving the financial agreement. Such notice shall be published in
32 a newspaper of general circulation in the municipality and in a
33 newspaper of general circulation in the county if different from the
34 municipal newspaper.

35 a. The financial agreement shall specify the duration of the
36 exemption for urban renewal entities in accordance with the
37 parameters of either paragraph (1) or paragraph (2) of this subsection:

38 (1) the financial agreement may specify a duration of not more
39 than 30 years from the completion of the entire project, or unit of the
40 project if the project is undertaken in units, or not more than 35 years
41 from the execution of the financial agreement between the
42 municipality and the urban renewal entity; or

43 (2) for each project undertaken pursuant to a redevelopment
44 agreement which allows the redeveloper to undertake two or more
45 projects sequentially, the financial agreement may specify a duration
46 of not more than 30 years from the completion of a project, or unit of
47 the project if the project is undertaken in units, or not more than 50
48 years from the execution of the first financial agreement

1 implementing a project under the redevelopment agreement. As used
2 in this subsection, "redevelopment agreement" means an agreement
3 entered into pursuant to subsection f. of section 8 of P.L.1992, c.79
4 (C.40A:12A-8) between a municipality or redevelopment entity and
5 a redeveloper.

6 A financial agreement may provide for an exemption period of
7 less than 30 years from the completion of the entire project, less than
8 35 years from the execution of the financial agreement, or less than
9 50 years from the execution of the first financial agreement
10 implementing a project under the redevelopment agreement. Nothing
11 in this subsection shall be construed as requiring a financial
12 agreement for a project undertaken pursuant to a redevelopment
13 agreement which allows the redeveloper to undertake two or more
14 projects sequentially to specify a duration within the parameters of
15 paragraph (2) of this subsection.

16 b. During the term of any exemption, in lieu of any taxes to be
17 paid on the buildings and improvements of the project and, to the
18 extent authorized pursuant to this section, on the land, the urban
19 renewal entity shall make payment to the municipality of an annual
20 service charge, which shall remit a portion of that revenue to the
21 county as provided hereinafter. In addition, the municipality may
22 assess an administrative fee, not to exceed two percent of the annual
23 service charge, for the processing of the application. The annual
24 service charge for municipal services supplied to the project to be
25 paid by the urban renewal entity for any period of exemption, shall
26 be determined as follows:

27 (1) An annual amount equal to a percentage determined pursuant
28 to this subsection and section 11 of P.L.1991, c.431 (C.40A:20-11),
29 of the annual gross revenue from each unit of the project, if the
30 project is undertaken in units, or from the total project, if the project
31 is not undertaken in units. The percentage of the annual gross
32 revenue shall not be more than 15【%】 percent in the case of a low
33 and moderate income housing project, nor less than 10【%】 percent
34 in the case of all other projects.

35 At the option of the municipality, or where because of the nature
36 of the development, ownership, use or occupancy of the project or
37 any unit thereof, if the project is to be undertaken in units, the total
38 annual gross rental or gross shelter rent or annual gross revenue
39 cannot be reasonably ascertained, the governing body shall provide
40 in the financial agreement that the annual service charge shall be a
41 sum equal to a percentage determined pursuant to this subsection and
42 section 11 of P.L.1991, c.431 (C.40A:20-11), of the total project cost
43 or total project unit cost determined pursuant to P.L.1991, c.431
44 (C.40A:20-1 et seq.) calculated from the first day of the month
45 following the substantial completion of the project or any unit
46 thereof, if the project is undertaken in units. The percentage of the
47 total project cost or total project unit cost shall not be more than
48 【2%】 two percent in the case of a low and moderate income housing

1 project, and shall not be less than **【2%】** two percent in the case of all
2 other projects.

3 (2) In either case, the financial agreement shall establish a
4 schedule of annual service charges to be paid over the term of the
5 exemption period, which shall be in stages as follows:

6 (a) For the first stage of the exemption period, which shall
7 commence with the date of completion of the unit or of the project,
8 as the case may be, and continue for a time of not less than six years
9 nor more than 15 years, as specified in the financial agreement, the
10 urban renewal entity shall pay the municipality an annual service
11 charge for municipal services supplied to the project in an annual
12 amount equal to the amount determined pursuant to paragraph (1) of
13 this subsection and section 11 of P.L.1991, c.431 (C.40A:20-11). For
14 the remainder of the period of the exemption, if any, the annual
15 service charge shall be determined as follows:

16 (b) For the second stage of the exemption period, which shall not
17 be less than one year nor more than six years, as specified in the
18 financial agreement, an amount equal to either the amount
19 determined pursuant to paragraph (1) of this subsection and section
20 11 of P.L.1991, c.431 (C.40A:20-11), or **20【%】** percent of the
21 amount of taxes otherwise due on the value of the land and
22 improvements, whichever shall be greater;

23 (c) For the third stage of the exemption period, which shall not
24 be less than one year nor more than six years, as specified in the
25 financial agreement, an amount equal to either the amount
26 determined pursuant to paragraph (1) of this subsection and section
27 11 of P.L.1991, c.431 (C.40A:20-11), or **40【%】** percent of the
28 amount of taxes otherwise due on the value of the land and
29 improvements, whichever shall be greater;

30 (d) For the fourth stage of the exemption period, which shall not
31 be less than one year nor more than six years, as specified in the
32 financial agreement, an amount equal to either the amount
33 determined pursuant to paragraph (1) of this subsection and section
34 11 of P.L.1991, c.431 (C.40A:20-11), or **60【%】** percent of the
35 amount of taxes otherwise due on the value of the land and
36 improvements, whichever shall be greater; and

37 (e) For the final stage of the exemption period, the duration of
38 which shall not be less than one year and shall be specified in the
39 financial agreement, an amount equal to either the amount
40 determined pursuant to paragraph (1) of this subsection and section
41 11 of P.L.1991, c.431 (C.40A:20-11), or **80【%】** percent of the
42 amount of taxes otherwise due on the value of the land and
43 improvements, whichever shall be greater.

44 If the financial agreement provides for an exemption period of less
45 than 30 years from the completion of the entire project, less than 35
46 years from the execution of the financial agreement, or less than 50
47 years from the execution of the first financial agreement
48 implementing a project under the redevelopment agreement, the

1 financial agreement shall set forth a schedule of annual service
2 charges for the exemption period which shall be based upon the
3 minimum service charges and staged adjustments set forth in this
4 section.

5 The annual service charge shall be paid to the municipality on a
6 quarterly basis in a manner consistent with the municipality's tax
7 collection schedule.

8 Each municipality which enters into a financial agreement on or
9 after the effective date of P.L.2003, c.125 (C.40A:12A-4.1 et al.)
10 shall remit five percent of the annual service charge collected by the
11 municipality directly to the county **【**in accordance with the
12 provisions of R.S.54:4-74**】**. Upon receipt of the annual service
13 charge, the municipal tax collector shall immediately notify the
14 municipality and the chief financial officer of the county within
15 which the municipality is located. Within seven days of the
16 notification, the municipal tax collector shall directly transmit the
17 five percent remittance to the chief financial officer of the county. If
18 the municipality enters into a contract with a board of education
19 pursuant to section 7 of P.L.2023, c.311 (C.18A:7G-15.1a), the
20 municipality shall also remit to the board of education such amounts
21 as may be required under the contract.

22 Against the annual service charge the urban renewal entity shall
23 be entitled to credit for the amount, without interest, of the real estate
24 taxes on land paid by it in the last four preceding quarterly
25 installments.

26 Notwithstanding the provisions of this section or of the financial
27 agreement, the minimum annual service charge shall be the amount
28 of the total taxes levied against all real property in the area covered
29 by the project in the last full tax year in which the area was subject
30 to taxation, and the minimum annual service charge shall be paid in
31 each year in which the annual service charge calculated pursuant to
32 this section or the financial agreement would be less than the
33 minimum annual service charge.

34 c. All exemptions granted pursuant to the provisions of
35 P.L.1991, c.431 (C.40A:20-1 et seq.) shall terminate at the time
36 prescribed in the financial agreement.

37 Upon the termination of the exemption granted pursuant to the
38 provisions of P.L.1991, c.431 (C.40A:20-1 et seq.), the project, all
39 affected parcels, land and all improvements made thereto shall be
40 assessed and subject to taxation as are other taxable properties in the
41 municipality. After the date of termination, all restrictions and
42 limitations upon the urban renewal entity shall terminate and be at an
43 end upon the entity's rendering its final accounting to and with the
44 municipality.

45 (cf: P.L.2023, c.311, s.26)

46

47 3. This act shall take effect on the first day of the third month
48 next following the date of enactment, and shall apply to each annual

1 service charge received by the tax collector beginning on or after that
2 date.

3

4

5

STATEMENT

6

7 This bill amends certain provisions of the "Long Term Tax
8 Exemption Law," P.L.1991, c.431 (C.40A:20-1 et seq.) concerning
9 payments in lieu of tax received by a municipality when a long-term
10 tax abatement is granted for the rehabilitation or improvements made
11 in the development or redevelopment of a redevelopment area or for
12 a redevelopment relocation housing project pursuant to that law.

13 Under current law, a municipality receiving a payment in lieu of
14 tax, referred to in the law as the "annual service charge," is required
15 to remit to the county in which the municipality is located, five
16 percent of the amount of the annual service charge. This bill amends
17 the law to require the municipal tax collector, upon receipt of the
18 annual service charge, to immediately notify the municipality and the
19 chief financial officer of the county within which the municipality is
20 located. Under the bill, within seven days of the notification, the
21 municipal tax collector is required to directly transmit the five
22 percent remittance to the chief financial officer of the county.

23 The law also requires that every redevelopment project approved
24 by the municipality to be evidenced by a financial agreement between
25 the municipality and the urban renewal entity, and the agreement
26 cannot take effect until approved by ordinance of the municipality.
27 The bill further requires that notice of the time, date, and place of the
28 public hearing required to be held prior to the approval of the
29 ordinance on the financial agreement be provided to the chief
30 financial officer of the county and the clerk to the board of county
31 commissioner of the county within which the municipality is located.

32 The bill also makes technical changes.

[First Reprint]

SENATE, No. 3787

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED OCTOBER 10, 2024

Sponsored by:

Senator NICHOLAS P. SCUTARI

District 22 (Somerset and Union)

Senator M. TERESA RUIZ

District 29 (Essex and Hudson)

SYNOPSIS

Requires municipal tax collectors who obtain payments in lieu of taxes under "Long Term Tax Exemption Law" to transmit county portion directly to county.

CURRENT VERSION OF TEXT

As reported by the Senate Community and Urban Affairs Committee on December 5, 2024, with amendments.



1 AN ACT concerning certain payments in lieu of taxes under the
2 "Long Term Tax Exemption Law" and amending P.L.1991,
3 c.431.

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

7
8 1. Section 9 of P.L.1991, c.431 (C.40A:20-9) is amended to
9 read as follows:

10 9. Every approved project shall be evidenced by a financial
11 agreement between the municipality and the urban renewal entity.
12 The agreement shall be prepared by the entity and submitted as a
13 separate part of its application for project approval. The agreement
14 shall not take effect until approved by ordinance of the
15 municipality. The municipality shall notify the chief financial
16 officer of the county and the clerk to the board of county
17 commissioners of the county within which the municipality is
18 located of the date, time, and place of the public hearing required to
19 be held prior to the passage of the ordinance. Any amendments or
20 modifications of the agreement made thereafter shall be by mutual
21 consent of the municipality and the urban renewal entity, and shall
22 be subject to approval by ordinance of the municipal governing
23 body upon recommendation of the mayor or other chief executive
24 officer of the municipality prior to taking effect.

25 The financial agreement shall be in the form of a contract
26 requiring full performance within 30 years from the date of
27 completion of the project, and shall include the following:

28 a. That the profits of or dividends payable by the urban
29 renewal entity shall be limited according to terms appropriate for
30 the type of entity in conformance with the provisions of P.L.1991,
31 c.431 (C.40A:20-1 et seq.).

32 b. That all improvements and land, to the extent authorized
33 pursuant to section 12 of P.L.1991, c.431 (C.40A:20-12), in the
34 project to be constructed or acquired by the urban renewal entity
35 shall be exempt from taxation as provided in
36 P.L.1991, c.431 (C.40A:20-1 et seq.).

37 c. That the urban renewal entity shall make payments for
38 municipal services as provided in P.L.1991, c.431 (C.40A:20-1 et
39 seq.).

40 d. That the urban renewal entity shall submit annually, within
41 90 days after the close of its fiscal year, its auditor's reports to the
42 mayor and governing body of the municipality.

43 e. That the urban renewal entity shall, upon request, permit
44 inspection of property, equipment, buildings and other facilities of
45 the entity, and also permit examination and audit of its books,

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 December 5, 2024.

1 contracts, records, documents and papers by authorized
2 representatives of the municipality or the State.

3 f. That in the event of any dispute between the parties matters
4 in controversy shall be resolved by arbitration in the manner
5 provided in the financial agreement.

6 g. That operation under the financial agreement shall be
7 terminable by the urban renewal entity in the manner provided by
8 P.L.1991, c.431 (C.40A:20-1 et seq.).

9 h. That the urban renewal entity shall at all times prior to the
10 expiration or other termination of the financial agreement remain
11 bound by the provisions of P.L.1991, c.431 (C.40A:20-1 et seq.).

12 The financial agreement shall contain detailed representations
13 and covenants by the urban renewal entity as to the manner in
14 which it proposes to use, manage or operate the project. The
15 financial agreement shall further set forth the method for computing
16 gross revenue for the urban renewal entity, the method of
17 determining insurance, operating and maintenance expenses paid by
18 a tenant which are ordinarily paid by a landlord, the plans for
19 financing the project, including the estimated total project cost, the
20 amortization rate on the total project cost, the source of funds, the
21 interest rates to be paid on the construction financing, the source
22 and amount of paid-in capital, the terms of mortgage amortization
23 or payment of principal on any mortgage, a good faith projection of
24 initial sales prices of any condominium units and expenses to be
25 incurred in promoting and consummating such sales, and the rental
26 schedules and lease terms to be used in the project. Any financial
27 agreement may allow the municipality to levy an annual
28 administrative fee, not to exceed two percent of the annual service
29 charge.

30 (cf: P.L.2015, c.95, s.28)

31
32 2. Section 12 of P.L.1991, c.431 (C.40A:20-12) is amended to
33 read as follows:

34 12. The rehabilitation or improvements made in the development
35 or redevelopment of a redevelopment area or area appurtenant
36 thereto or for a redevelopment relocation housing project, pursuant
37 to P.L.1991, c.431 (C.40A:20-1 et seq.), shall be exempt from
38 taxation for a limited period as hereinafter provided. When housing
39 is to be constructed, acquired or rehabilitated by an urban renewal
40 entity, the land upon which that housing is situated shall be exempt
41 from taxation for a limited period as hereinafter provided. The
42 exemption shall be allowed when the clerk of the municipality
43 wherein the property is situated shall certify to the municipal tax
44 assessor that a financial agreement with an urban renewal entity for
45 the development or the redevelopment of the property, or the
46 provision of a redevelopment relocation housing project, or the
47 provision of a low and moderate income housing project has been

1 entered into and is in effect as required by P.L.1991, c.431
2 (C.40A:20-1 et seq.).

3 Delivery by the municipal clerk to the municipal tax assessor of
4 a certified copy of the ordinance of the governing body approving
5 the tax exemption and financial agreement with the urban renewal
6 entity shall constitute the required certification. For each
7 exemption granted pursuant to P.L.2003, c.125 (C.40A:12A-4.1 et
8 al.), upon certification as required hereunder, the tax assessor shall
9 implement the exemption and continue to enforce that exemption
10 without further certification by the clerk until the expiration of the
11 entitlement to exemption by the terms of the financial agreement or
12 until the tax assessor has been duly notified by the clerk that the
13 exemption has been terminated.

14 Within 10 calendar days following the later of the effective date
15 of an ordinance following its final adoption by the governing body
16 approving the tax exemption or the execution of the financial
17 agreement by the urban renewal entity, the municipal clerk shall
18 transmit a certified copy of the ordinance and financial agreement
19 to the chief financial officer of the county and to the county counsel
20 for informational purposes.

21 Whenever an exemption status changes during a tax year, the
22 procedure for the apportionment of the taxes for the year shall be
23 the same as in the case of other changes in tax exemption status
24 during the tax year. Tax exemptions granted pursuant to P.L.2003,
25 c.125 (C.40A:12A-4.1 et al.) represent long term financial
26 agreements between the municipality and the urban renewal entity
27 and as such constitute a single continuing exemption from local
28 property taxation for the duration of the financial agreement. The
29 validity of a financial agreement or any exemption granted pursuant
30 thereto may be challenged only by filing an action in lieu of
31 prerogative writ within 20 days from the publication of a notice of
32 the adoption of an ordinance by the governing body granting the
33 exemption and approving the financial agreement. Such notice
34 shall be published in a newspaper of general circulation in the
35 municipality and in a newspaper of general circulation in the county
36 if different from the municipal newspaper.

37 a. The financial agreement shall specify the duration of the
38 exemption for urban renewal entities in accordance with the
39 parameters of either paragraph (1) or paragraph (2) of this
40 subsection:

41 (1) the financial agreement may specify a duration of not more
42 than 30 years from the completion of the entire project, or unit of
43 the project if the project is undertaken in units, or not more than 35
44 years from the execution of the financial agreement between the
45 municipality and the urban renewal entity; or

46 (2) for each project undertaken pursuant to a redevelopment
47 agreement which allows the redeveloper to undertake two or more
48 projects sequentially, the financial agreement may specify a

1 duration of not more than 30 years from the completion of a project,
2 or unit of the project if the project is undertaken in units, or not
3 more than 50 years from the execution of the first financial
4 agreement implementing a project under the redevelopment
5 agreement. As used in this subsection, "redevelopment agreement"
6 means an agreement entered into pursuant to subsection f. of section
7 8 of P.L.1992, c.79 (C.40A:12A-8) between a municipality or
8 redevelopment entity and a redeveloper.

9 A financial agreement may provide for an exemption period of
10 less than 30 years from the completion of the entire project, less
11 than 35 years from the execution of the financial agreement, or less
12 than 50 years from the execution of the first financial agreement
13 implementing a project under the redevelopment agreement.
14 Nothing in this subsection shall be construed as requiring a
15 financial agreement for a project undertaken pursuant to a
16 redevelopment agreement which allows the redeveloper to
17 undertake two or more projects sequentially to specify a duration
18 within the parameters of paragraph (2) of this subsection.

19 b. During the term of any exemption, in lieu of any taxes to be
20 paid on the buildings and improvements of the project and, to the
21 extent authorized pursuant to this section, on the land, the urban
22 renewal entity shall make payment to the municipality of an annual
23 service charge, which shall remit a portion of that revenue to the
24 county as provided hereinafter. In addition, the municipality may
25 assess an administrative fee, not to exceed two percent of the annual
26 service charge, for the processing of the application. The annual
27 service charge for municipal services supplied to the project to be
28 paid by the urban renewal entity for any period of exemption, shall
29 be determined as follows:

30 (1) An annual amount equal to a percentage determined
31 pursuant to this subsection and section 11 of P.L.1991, c.431
32 (C.40A:20-11), of the annual gross revenue from each unit of the
33 project, if the project is undertaken in units, or from the total
34 project, if the project is not undertaken in units. The percentage of
35 the annual gross revenue shall not be more than 15【%】 percent in
36 the case of a low and moderate income housing project, nor less
37 than 10【%】 percent in the case of all other projects.

38 At the option of the municipality, or where because of the nature
39 of the development, ownership, use or occupancy of the project or
40 any unit thereof, if the project is to be undertaken in units, the total
41 annual gross rental or gross shelter rent or annual gross revenue
42 cannot be reasonably ascertained, the governing body shall provide
43 in the financial agreement that the annual service charge shall be a
44 sum equal to a percentage determined pursuant to this subsection
45 and section 11 of P.L.1991, c.431 (C.40A:20-11), of the total
46 project cost or total project unit cost determined pursuant to
47 P.L.1991, c.431 (C.40A:20-1 et seq.) calculated from the first day
48 of the month following the substantial completion of the project or

1 any unit thereof, if the project is undertaken in units. The
2 percentage of the total project cost or total project unit cost shall not
3 be more than **【2%】** two percent in the case of a low and moderate
4 income housing project, and shall not be less than **【2%】** two
5 percent in the case of all other projects.

6 (2) In either case, the financial agreement shall establish a
7 schedule of annual service charges to be paid over the term of the
8 exemption period, which shall be in stages as follows:

9 (a) For the first stage of the exemption period, which shall
10 commence with the date of completion of the unit or of the project,
11 as the case may be, and continue for a time of not less than six years
12 nor more than 15 years, as specified in the financial agreement, the
13 urban renewal entity shall pay the municipality an annual service
14 charge for municipal services supplied to the project in an annual
15 amount equal to the amount determined pursuant to paragraph (1) of
16 this subsection and section 11 of P.L.1991, c.431 (C.40A:20-11).
17 For the remainder of the period of the exemption, if any, the annual
18 service charge shall be determined as follows:

19 (b) For the second stage of the exemption period, which shall
20 not be less than one year nor more than six years, as specified in the
21 financial agreement, an amount equal to either the amount
22 determined pursuant to paragraph (1) of this subsection and section
23 11 of P.L.1991, c.431 (C.40A:20-11), or **20【%】** percent of the
24 amount of taxes otherwise due on the value of the land and
25 improvements, whichever shall be greater;

26 (c) For the third stage of the exemption period, which shall not
27 be less than one year nor more than six years, as specified in the
28 financial agreement, an amount equal to either the amount
29 determined pursuant to paragraph (1) of this subsection and section
30 11 of P.L.1991, c.431 (C.40A:20-11), or **40【%】** percent of the
31 amount of taxes otherwise due on the value of the land and
32 improvements, whichever shall be greater;

33 (d) For the fourth stage of the exemption period, which shall not
34 be less than one year nor more than six years, as specified in the
35 financial agreement, an amount equal to either the amount
36 determined pursuant to paragraph (1) of this subsection and section
37 11 of P.L.1991, c.431 (C.40A:20-11), or **60【%】** percent of the
38 amount of taxes otherwise due on the value of the land and
39 improvements, whichever shall be greater; and

40 (e) For the final stage of the exemption period, the duration of
41 which shall not be less than one year and shall be specified in the
42 financial agreement, an amount equal to either the amount
43 determined pursuant to paragraph (1) of this subsection and section
44 11 of P.L.1991, c.431 (C.40A:20-11), or **80【%】** percent of the
45 amount of taxes otherwise due on the value of the land and
46 improvements, whichever shall be greater.

1 If the financial agreement provides for an exemption period of
2 less than 30 years from the completion of the entire project, less
3 than 35 years from the execution of the financial agreement, or less
4 than 50 years from the execution of the first financial agreement
5 implementing a project under the redevelopment agreement, the
6 financial agreement shall set forth a schedule of annual service
7 charges for the exemption period which shall be based upon the
8 minimum service charges and staged adjustments set forth in this
9 section.

10 The annual service charge shall be paid to the municipality on a
11 quarterly basis in a manner consistent with the municipality's tax
12 collection schedule.

13 Each municipality which enters into a financial agreement on or
14 after the effective date of P.L.2003, c.125 (C.40A:12A-4.1 et al.)
15 shall remit five percent of the annual service charge collected by the
16 municipality directly to the county **【in accordance with the**
17 **provisions of R.S.54:4-74】**. Upon receipt of the annual service
18 charge, the municipal tax collector 'or financial officer' shall
19 immediately notify the municipality and the chief financial officer
20 of the county within which the municipality is located. Within
21 seven days of the notification, the municipal tax collector 'or
22 financial officer' shall directly transmit the five percent remittance
23 to the chief financial officer of the county. If the municipality
24 enters into a contract with a board of education pursuant to section
25 7 of P.L.2023, c.311 (C.18A:7G-15.1a), the municipality shall also
26 remit to the board of education such amounts as may be required
27 under the contract.

28 Against the annual service charge the urban renewal entity shall
29 be entitled to credit for the amount, without interest, of the real
30 estate taxes on land paid by it in the last four preceding quarterly
31 installments.

32 Notwithstanding the provisions of this section or of the financial
33 agreement, the minimum annual service charge shall be the amount
34 of the total taxes levied against all real property in the area covered
35 by the project in the last full tax year in which the area was subject
36 to taxation, and the minimum annual service charge shall be paid in
37 each year in which the annual service charge calculated pursuant to
38 this section or the financial agreement would be less than the
39 minimum annual service charge.

40 c. All exemptions granted pursuant to the provisions of
41 P.L.1991, c.431 (C.40A:20-1 et seq.) shall terminate at the time
42 prescribed in the financial agreement.

43 Upon the termination of the exemption granted pursuant to the
44 provisions of P.L.1991, c.431 (C.40A:20-1 et seq.), the project, all
45 affected parcels, land and all improvements made thereto shall be
46 assessed and subject to taxation as are other taxable properties in
47 the municipality. After the date of termination, all restrictions and
48 limitations upon the urban renewal entity shall terminate and be at

1 an end upon the entity's rendering its final accounting to and with
2 the municipality.

3 (cf: P.L.2023, c.311, s.26)

4

5 3. This act shall take effect on the first day of the third month
6 next following the date of enactment, and shall apply to each annual
7 service charge received by the tax collector beginning on or after
8 that date.

[Second Reprint]

SENATE, No. 3787

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED OCTOBER 10, 2024

Sponsored by:

Senator NICHOLAS P. SCUTARI

District 22 (Somerset and Union)

Senator M. TERESA RUIZ

District 29 (Essex and Hudson)

SYNOPSIS

Requires municipal tax collectors who obtain payments in lieu of taxes under "Long Term Tax Exemption Law" to transmit county portion directly to county.

CURRENT VERSION OF TEXT

As amended by the Senate on December 19, 2024.



1 AN ACT concerning certain payments in lieu of taxes under the
2 "Long Term Tax Exemption Law" and amending P.L.1991,
3 c.431.

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

7
8 1. Section 9 of P.L.1991, c.431 (C.40A:20-9) is amended to
9 read as follows:

10 9. Every approved project shall be evidenced by a financial
11 agreement between the municipality and the urban renewal entity.
12 The agreement shall be prepared by the entity and submitted as a
13 separate part of its application for project approval. The agreement
14 shall not take effect until approved by ordinance of the
15 municipality. The municipality shall notify the chief financial
16 officer of the county and the clerk to the board of county
17 commissioners of the county within which the municipality is
18 located of the date, time, and place of the public hearing required to
19 be held prior to the passage of the ordinance. Any amendments or
20 modifications of the agreement made thereafter shall be by mutual
21 consent of the municipality and the urban renewal entity, and shall
22 be subject to approval by ordinance of the municipal governing
23 body upon recommendation of the mayor or other chief executive
24 officer of the municipality prior to taking effect.

25 The financial agreement shall be in the form of a contract
26 requiring full performance within 30 years from the date of
27 completion of the project, and shall include the following:

28 a. That the profits of or dividends payable by the urban
29 renewal entity shall be limited according to terms appropriate for
30 the type of entity in conformance with the provisions of P.L.1991,
31 c.431 (C.40A:20-1 et seq.).

32 b. That all improvements and land, to the extent authorized
33 pursuant to section 12 of P.L.1991, c.431 (C.40A:20-12), in the
34 project to be constructed or acquired by the urban renewal entity
35 shall be exempt from taxation as provided in
36 P.L.1991, c.431 (C.40A:20-1 et seq.).

37 c. That the urban renewal entity shall make payments for
38 municipal services as provided in P.L.1991, c.431 (C.40A:20-1 et
39 seq.).

40 d. That the urban renewal entity shall submit annually, within
41 90 days after the close of its fiscal year, its auditor's reports to the
42 mayor and governing body of the municipality.

43 e. That the urban renewal entity shall, upon request, permit
44 inspection of property, equipment, buildings and other facilities of

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 December 5, 2024.

²Senate floor amendments adopted December 19, 2024.

1 the entity, and also permit examination and audit of its books,
2 contracts, records, documents and papers by authorized
3 representatives of the municipality or the State.

4 f. That in the event of any dispute between the parties matters
5 in controversy shall be resolved by arbitration in the manner
6 provided in the financial agreement.

7 g. That operation under the financial agreement shall be
8 terminable by the urban renewal entity in the manner provided by
9 P.L.1991, c.431 (C.40A:20-1 et seq.).

10 h. That the urban renewal entity shall at all times prior to the
11 expiration or other termination of the financial agreement remain
12 bound by the provisions of P.L.1991, c.431 (C.40A:20-1 et seq.).

13 The financial agreement shall contain detailed representations
14 and covenants by the urban renewal entity as to the manner in
15 which it proposes to use, manage or operate the project. The
16 financial agreement shall further set forth the method for computing
17 gross revenue for the urban renewal entity, the method of
18 determining insurance, operating and maintenance expenses paid by
19 a tenant which are ordinarily paid by a landlord, the plans for
20 financing the project, including the estimated total project cost, the
21 amortization rate on the total project cost, the source of funds, the
22 interest rates to be paid on the construction financing, the source
23 and amount of paid-in capital, the terms of mortgage amortization
24 or payment of principal on any mortgage, a good faith projection of
25 initial sales prices of any condominium units and expenses to be
26 incurred in promoting and consummating such sales, and the rental
27 schedules and lease terms to be used in the project. Any financial
28 agreement may allow the municipality to levy an annual
29 administrative fee, not to exceed two percent of the annual service
30 charge.

31 (cf: P.L.2015, c.95, s.28)

32

33 2. Section 12 of P.L.1991, c.431 (C.40A:20-12) is amended to
34 read as follows:

35 12. The rehabilitation or improvements made in the development
36 or redevelopment of a redevelopment area or area appurtenant thereto
37 or for a redevelopment relocation housing project, pursuant to
38 P.L.1991, c.431 (C.40A:20-1 et seq.), shall be exempt from taxation
39 for a limited period as hereinafter provided. When housing is to be
40 constructed, acquired or rehabilitated by an urban renewal entity, the
41 land upon which that housing is situated shall be exempt from taxation
42 for a limited period as hereinafter provided. The exemption shall be
43 allowed when the clerk of the municipality wherein the property is
44 situated shall certify to the municipal tax assessor that a financial
45 agreement with an urban renewal entity for the development or the
46 redevelopment of the property, or the provision of a redevelopment
47 relocation housing project, or the provision of a low and moderate

1 income housing project has been entered into and is in effect as
2 required by P.L.1991, c.431 (C.40A:20-1 et seq.).

3 Delivery by the municipal clerk to the municipal tax assessor of a
4 certified copy of the ordinance of the governing body approving the
5 tax exemption and financial agreement with the urban renewal entity
6 shall constitute the required certification. For each exemption granted
7 pursuant to P.L.2003, c.125 (C.40A:12A-4.1 et al.), upon certification
8 as required hereunder, the tax assessor shall implement the exemption
9 and continue to enforce that exemption without further certification by
10 the clerk until the expiration of the entitlement to exemption by the
11 terms of the financial agreement or until the tax assessor has been duly
12 notified by the clerk that the exemption has been terminated.

13 Within 10 calendar days following the later of the effective date of
14 an ordinance following its final adoption by the governing body
15 approving the tax exemption or the execution of the financial
16 agreement by the urban renewal entity, the municipal clerk shall
17 transmit a certified copy of the ordinance and financial agreement to
18 the chief financial officer of the county and to the county counsel for
19 informational purposes.

20 Whenever an exemption status changes during a tax year, the
21 procedure for the apportionment of the taxes for the year shall be the
22 same as in the case of other changes in tax exemption status during the
23 tax year. Tax exemptions granted pursuant to P.L.2003, c.125
24 (C.40A:12A-4.1 et al.) represent long term financial agreements
25 between the municipality and the urban renewal entity and as such
26 constitute a single continuing exemption from local property taxation
27 for the duration of the financial agreement. The validity of a financial
28 agreement or any exemption granted pursuant thereto may be
29 challenged only by filing an action in lieu of prerogative writ within 20
30 days from the publication of a notice of the adoption of an ordinance
31 by the governing body granting the exemption and approving the
32 financial agreement. Such notice shall be published in a newspaper of
33 general circulation in the municipality and in a newspaper of general
34 circulation in the county if different from the municipal newspaper.

35 a. The financial agreement shall specify the duration of the
36 exemption for urban renewal entities in accordance with the
37 parameters of either paragraph (1) or paragraph (2) of this subsection:

38 (1) the financial agreement may specify a duration of not more
39 than 30 years from the completion of the entire project, or unit of the
40 project if the project is undertaken in units, or not more than 35 years
41 from the execution of the financial agreement between the
42 municipality and the urban renewal entity; or

43 (2) for each project undertaken pursuant to a redevelopment
44 agreement which allows the redeveloper to undertake two or more
45 projects sequentially, the financial agreement may specify a duration
46 of not more than 30 years from the completion of a project, or unit of
47 the project if the project is undertaken in units, or not more than 50
48 years from the execution of the first financial agreement implementing

1 a project under the redevelopment agreement. As used in this
2 subsection, "redevelopment agreement" means an agreement entered
3 into pursuant to subsection f. of section 8 of P.L.1992, c.79
4 (C.40A:12A-8) between a municipality or redevelopment entity and a
5 redeveloper.

6 A financial agreement may provide for an exemption period of less
7 than 30 years from the completion of the entire project, less than 35
8 years from the execution of the financial agreement, or less than 50
9 years from the execution of the first financial agreement implementing
10 a project under the redevelopment agreement. Nothing in this
11 subsection shall be construed as requiring a financial agreement for a
12 project undertaken pursuant to a redevelopment agreement which
13 allows the redeveloper to undertake two or more projects sequentially
14 to specify a duration within the parameters of paragraph (2) of this
15 subsection.

16 b. During the term of any exemption, in lieu of any taxes to be
17 paid on the buildings and improvements of the project and, to the
18 extent authorized pursuant to this section, on the land, the urban
19 renewal entity shall make payment to the municipality of an annual
20 service charge, which shall remit a portion of that revenue to the
21 county as provided hereinafter. In addition, the municipality may
22 assess an administrative fee, not to exceed two percent of the annual
23 service charge, for the processing of the application. The annual
24 service charge for municipal services supplied to the project to be paid
25 by the urban renewal entity for any period of exemption, shall be
26 determined as follows:

27 (1) An annual amount equal to a percentage determined pursuant
28 to this subsection and section 11 of P.L.1991, c.431 (C.40A:20-11), of
29 the annual gross revenue from each unit of the project, if the project is
30 undertaken in units, or from the total project, if the project is not
31 undertaken in units. The percentage of the annual gross revenue shall
32 not be more than 15~~[%]~~ percent in the case of a low and moderate
33 income housing project, nor less than 10~~[%]~~ percent in the case of all
34 other projects.

35 At the option of the municipality, or where because of the nature of
36 the development, ownership, use or occupancy of the project or any
37 unit thereof, if the project is to be undertaken in units, the total annual
38 gross rental or gross shelter rent or annual gross revenue cannot be
39 reasonably ascertained, the governing body shall provide in the
40 financial agreement that the annual service charge shall be a sum equal
41 to a percentage determined pursuant to this subsection and section 11
42 of P.L.1991, c.431 (C.40A:20-11), of the total project cost or total
43 project unit cost determined pursuant to P.L.1991, c.431 (C.40A:20-1
44 et seq.) calculated from the first day of the month following the
45 substantial completion of the project or any unit thereof, if the project
46 is undertaken in units. The percentage of the total project cost or total
47 project unit cost shall not be more than ~~2%~~ two percent in the case

1 of a low and moderate income housing project, and shall not be less
2 than **[2%]** two percent in the case of all other projects.

3 (2) In either case, the financial agreement shall establish a
4 schedule of annual service charges to be paid over the term of the
5 exemption period, which shall be in stages as follows:

6 (a) For the first stage of the exemption period, which shall
7 commence with the date of completion of the unit or of the project, as
8 the case may be, and continue for a time of not less than six years nor
9 more than 15 years, as specified in the financial agreement, the urban
10 renewal entity shall pay the municipality an annual service charge for
11 municipal services supplied to the project in an annual amount equal to
12 the amount determined pursuant to paragraph (1) of this subsection
13 and section 11 of P.L.1991, c.431 (C.40A:20-11). For the remainder
14 of the period of the exemption, if any, the annual service charge shall
15 be determined as follows:

16 (b) For the second stage of the exemption period, which shall not
17 be less than one year nor more than six years, as specified in the
18 financial agreement, an amount equal to either the amount determined
19 pursuant to paragraph (1) of this subsection and section 11 of
20 P.L.1991, c.431 (C.40A:20-11), or **20[%]** percent of the amount of
21 taxes otherwise due on the value of the land and improvements,
22 whichever shall be greater;

23 (c) For the third stage of the exemption period, which shall not be
24 less than one year nor more than six years, as specified in the financial
25 agreement, an amount equal to either the amount determined pursuant
26 to paragraph (1) of this subsection and section 11 of P.L.1991, c.431
27 (C.40A:20-11), or **40[%]** percent of the amount of taxes otherwise
28 due on the value of the land and improvements, whichever shall be
29 greater;

30 (d) For the fourth stage of the exemption period, which shall not be
31 less than one year nor more than six years, as specified in the financial
32 agreement, an amount equal to either the amount determined pursuant
33 to paragraph (1) of this subsection and section 11 of P.L.1991, c.431
34 (C.40A:20-11), or **60[%]** percent of the amount of taxes otherwise
35 due on the value of the land and improvements, whichever shall be
36 greater; and

37 (e) For the final stage of the exemption period, the duration of
38 which shall not be less than one year and shall be specified in the
39 financial agreement, an amount equal to either the amount determined
40 pursuant to paragraph (1) of this subsection and section 11 of
41 P.L.1991, c.431 (C.40A:20-11), or **80[%]** percent of the amount of
42 taxes otherwise due on the value of the land and improvements,
43 whichever shall be greater.

44 If the financial agreement provides for an exemption period of less
45 than 30 years from the completion of the entire project, less than 35
46 years from the execution of the financial agreement, or less than 50
47 years from the execution of the first financial agreement implementing
48 a project under the redevelopment agreement, the financial agreement

1 shall set forth a schedule of annual service charges for the exemption
2 period which shall be based upon the minimum service charges and
3 staged adjustments set forth in this section.

4 The annual service charge shall be paid to the municipality on a
5 quarterly basis in a manner consistent with the municipality's tax
6 collection schedule.

7 Each municipality which enters into a financial agreement on or
8 after the effective date of P.L.2003, c.125 (C.40A:12A-4.1 et al.) shall
9 remit five percent of the annual service charge collected by the
10 municipality directly to the county **in accordance with the provisions**
11 **of R.S.54:4-74¹. ²Upon receipt of the annual service charge, the**
12 **municipal tax collector ¹or financial officer¹ shall immediately notify**
13 **the municipality and the chief financial officer of the county within**
14 **which the municipality is located. Within seven days of the**
15 **notification, the municipal tax collector ¹or financial officer¹ shall**
16 **directly transmit the five percent remittance to the chief financial**
17 **officer of the county¹ On a quarterly basis, the municipal tax collector**
18 **or finance officer in a municipality that receives an annual service**
19 **charge shall notify the chief financial officer of the county within**
20 **which the municipality is located that the municipality received an**
21 **annual service charge and shall directly transmit the five percent**
22 **remittance to the chief financial officer of the county. If the five**
23 **percent remittance due to the county is not paid when due, the unpaid**
24 **balance thereof and interest, at the rate of one percent per month**
25 **accrued thereon, together with attorneys' fees and court costs, may be**
26 **recovered by the county from the municipality in an action filed in a**
27 **court of competent jurisdiction². If the municipality enters into a**
28 **contract with a board of education pursuant to section 7 of P.L.2023,**
29 **c.311 (C.18A:7G-15.1a), the municipality shall also remit to the board**
30 **of education such amounts as may be required under the contract.**

31 Against the annual service charge the urban renewal entity shall be
32 entitled to credit for the amount, without interest, of the real estate
33 taxes on land paid by it in the last four preceding quarterly
34 installments.

35 Notwithstanding the provisions of this section or of the financial
36 agreement, the minimum annual service charge shall be the amount of
37 the total taxes levied against all real property in the area covered by
38 the project in the last full tax year in which the area was subject to
39 taxation, and the minimum annual service charge shall be paid in each
40 year in which the annual service charge calculated pursuant to this
41 section or the financial agreement would be less than the minimum
42 annual service charge.

43 c. All exemptions granted pursuant to the provisions of P.L.1991,
44 c.431 (C.40A:20-1 et seq.) shall terminate at the time prescribed in the
45 financial agreement.

46 Upon the termination of the exemption granted pursuant to the
47 provisions of P.L.1991, c.431 (C.40A:20-1 et seq.), the project, all

1 affected parcels, land and all improvements made thereto shall be
2 assessed and subject to taxation as are other taxable properties in the
3 municipality. After the date of termination, all restrictions and
4 limitations upon the urban renewal entity shall terminate and be at an
5 end upon the entity's rendering its final accounting to and with the
6 municipality.

7 (cf: P.L.2023, c.311, s.26)

8

9 3. This act shall take effect on the first day of the third month
10 next following the date of enactment, and shall apply to each annual
11 service charge received by the tax collector beginning on or after
12 that date.

[Third Reprint]

SENATE, No. 3787

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED OCTOBER 10, 2024

Sponsored by:

Senator NICHOLAS P. SCUTARI

District 22 (Somerset and Union)

Senator M. TERESA RUIZ

District 29 (Essex and Hudson)

SYNOPSIS

Requires municipal tax collectors who obtain payments in lieu of taxes under "Long Term Tax Exemption Law" to transmit county portion directly to county.

CURRENT VERSION OF TEXT

As amended by the Senate on January 14, 2025.



1 AN ACT concerning certain payments in lieu of taxes under the
2 "Long Term Tax Exemption Law" and amending P.L.1991,
3 c.431.

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

7
8 1. Section 9 of P.L.1991, c.431 (C.40A:20-9) is amended to
9 read as follows:

10 9. Every approved project shall be evidenced by a financial
11 agreement between the municipality and the urban renewal entity.
12 The agreement shall be prepared by the entity and submitted as a
13 separate part of its application for project approval. The agreement
14 shall not take effect until approved by ordinance of the
15 municipality. The municipality shall notify the chief financial
16 officer of the county and the clerk to the board of county
17 commissioners of the county within which the municipality is
18 located of the date, time, and place of the public hearing required to
19 be held prior to the passage of the ordinance. Any amendments or
20 modifications of the agreement made thereafter shall be by mutual
21 consent of the municipality and the urban renewal entity, and shall
22 be subject to approval by ordinance of the municipal governing
23 body upon recommendation of the mayor or other chief executive
24 officer of the municipality prior to taking effect.

25 The financial agreement shall be in the form of a contract
26 requiring full performance within 30 years from the date of
27 completion of the project, and shall include the following:

28 a. That the profits of or dividends payable by the urban
29 renewal entity shall be limited according to terms appropriate for
30 the type of entity in conformance with the provisions of P.L.1991,
31 c.431 (C.40A:20-1 et seq.).

32 b. That all improvements and land, to the extent authorized
33 pursuant to section 12 of P.L.1991, c.431 (C.40A:20-12), in the
34 project to be constructed or acquired by the urban renewal entity
35 shall be exempt from taxation as provided in
36 P.L.1991, c.431 (C.40A:20-1 et seq.).

37 c. That the urban renewal entity shall make payments for
38 municipal services as provided in P.L.1991, c.431 (C.40A:20-1 et
39 seq.).

40 d. That the urban renewal entity shall submit annually, within
41 90 days after the close of its fiscal year, its auditor's reports to the
42 mayor and governing body of the municipality.

43 e. That the urban renewal entity shall, upon request, permit
44 inspection of property, equipment, buildings and other facilities of

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 December 5, 2024.

²Senate floor amendments adopted December 19, 2024.

³Senate floor amendments adopted January 14, 2025.

1 the entity, and also permit examination and audit of its books,
2 contracts, records, documents and papers by authorized
3 representatives of the municipality or the State.

4 f. That in the event of any dispute between the parties matters
5 in controversy shall be resolved by arbitration in the manner
6 provided in the financial agreement.

7 g. That operation under the financial agreement shall be
8 terminable by the urban renewal entity in the manner provided by
9 P.L.1991, c.431 (C.40A:20-1 et seq.).

10 h. That the urban renewal entity shall at all times prior to the
11 expiration or other termination of the financial agreement remain
12 bound by the provisions of P.L.1991, c.431 (C.40A:20-1 et seq.).

13 The financial agreement shall contain detailed representations
14 and covenants by the urban renewal entity as to the manner in
15 which it proposes to use, manage or operate the project. The
16 financial agreement shall further set forth the method for computing
17 gross revenue for the urban renewal entity, the method of
18 determining insurance, operating and maintenance expenses paid by
19 a tenant which are ordinarily paid by a landlord, the plans for
20 financing the project, including the estimated total project cost, the
21 amortization rate on the total project cost, the source of funds, the
22 interest rates to be paid on the construction financing, the source
23 and amount of paid-in capital, the terms of mortgage amortization
24 or payment of principal on any mortgage, a good faith projection of
25 initial sales prices of any condominium units and expenses to be
26 incurred in promoting and consummating such sales, and the rental
27 schedules and lease terms to be used in the project. Any financial
28 agreement may allow the municipality to levy an annual
29 administrative fee, not to exceed two percent of the annual service
30 charge.

31 (cf: P.L.2015, c.95, s.28)

32

33 2. Section 12 of P.L.1991, c.431 (C.40A:20-12) is amended to
34 read as follows:

35 12. The rehabilitation or improvements made in the development
36 or redevelopment of a redevelopment area or area appurtenant
37 thereto or for a redevelopment relocation housing project, pursuant
38 to P.L.1991, c.431 (C.40A:20-1 et seq.), shall be exempt from
39 taxation for a limited period as hereinafter provided. When housing
40 is to be constructed, acquired or rehabilitated by an urban renewal
41 entity, the land upon which that housing is situated shall be exempt
42 from taxation for a limited period as hereinafter provided. The
43 exemption shall be allowed when the clerk of the municipality
44 wherein the property is situated shall certify to the municipal tax
45 assessor that a financial agreement with an urban renewal entity for
46 the development or the redevelopment of the property, or the
47 provision of a redevelopment relocation housing project, or the
48 provision of a low and moderate income housing project has been

1 entered into and is in effect as required by P.L.1991, c.431
2 (C.40A:20-1 et seq.).

3 Delivery by the municipal clerk to the municipal tax assessor of
4 a certified copy of the ordinance of the governing body approving
5 the tax exemption and financial agreement with the urban renewal
6 entity shall constitute the required certification. For each
7 exemption granted pursuant to P.L.2003, c.125 (C.40A:12A-4.1 et
8 al.), upon certification as required hereunder, the tax assessor shall
9 implement the exemption and continue to enforce that exemption
10 without further certification by the clerk until the expiration of the
11 entitlement to exemption by the terms of the financial agreement or
12 until the tax assessor has been duly notified by the clerk that the
13 exemption has been terminated.

14 Within 10 calendar days following the later of the effective date
15 of an ordinance following its final adoption by the governing body
16 approving the tax exemption or the execution of the financial
17 agreement by the urban renewal entity, the municipal clerk shall
18 transmit a certified copy of the ordinance and financial agreement
19 to the chief financial officer of the county and to the county counsel
20 for informational purposes.

21 Whenever an exemption status changes during a tax year, the
22 procedure for the apportionment of the taxes for the year shall be
23 the same as in the case of other changes in tax exemption status
24 during the tax year. Tax exemptions granted pursuant to P.L.2003,
25 c.125 (C.40A:12A-4.1 et al.) represent long term financial
26 agreements between the municipality and the urban renewal entity
27 and as such constitute a single continuing exemption from local
28 property taxation for the duration of the financial agreement. The
29 validity of a financial agreement or any exemption granted pursuant
30 thereto may be challenged only by filing an action in lieu of
31 prerogative writ within 20 days from the publication of a notice of
32 the adoption of an ordinance by the governing body granting the
33 exemption and approving the financial agreement. Such notice
34 shall be published in a newspaper of general circulation in the
35 municipality and in a newspaper of general circulation in the county
36 if different from the municipal newspaper.

37 a. The financial agreement shall specify the duration of the
38 exemption for urban renewal entities in accordance with the
39 parameters of either paragraph (1) or paragraph (2) of this
40 subsection:

41 (1) the financial agreement may specify a duration of not more
42 than 30 years from the completion of the entire project, or unit of
43 the project if the project is undertaken in units, or not more than 35
44 years from the execution of the financial agreement between the
45 municipality and the urban renewal entity; or

46 (2) for each project undertaken pursuant to a redevelopment
47 agreement which allows the redeveloper to undertake two or more
48 projects sequentially, the financial agreement may specify a

1 duration of not more than 30 years from the completion of a project,
2 or unit of the project if the project is undertaken in units, or not
3 more than 50 years from the execution of the first financial
4 agreement implementing a project under the redevelopment
5 agreement. As used in this subsection, "redevelopment agreement"
6 means an agreement entered into pursuant to subsection f. of section
7 8 of P.L.1992, c.79 (C.40A:12A-8) between a municipality or
8 redevelopment entity and a redeveloper.

9 A financial agreement may provide for an exemption period of
10 less than 30 years from the completion of the entire project, less
11 than 35 years from the execution of the financial agreement, or less
12 than 50 years from the execution of the first financial agreement
13 implementing a project under the redevelopment agreement.
14 Nothing in this subsection shall be construed as requiring a
15 financial agreement for a project undertaken pursuant to a
16 redevelopment agreement which allows the redeveloper to
17 undertake two or more projects sequentially to specify a duration
18 within the parameters of paragraph (2) of this subsection.

19 b. During the term of any exemption, in lieu of any taxes to be
20 paid on the buildings and improvements of the project and, to the
21 extent authorized pursuant to this section, on the land, the urban
22 renewal entity shall make payment to the municipality of an annual
23 service charge, which shall remit a portion of that revenue to the
24 county as provided hereinafter. In addition, the municipality may
25 assess an administrative fee, not to exceed two percent of the annual
26 service charge, for the processing of the application. The annual
27 service charge for municipal services supplied to the project to be
28 paid by the urban renewal entity for any period of exemption, shall
29 be determined as follows:

30 (1) An annual amount equal to a percentage determined
31 pursuant to this subsection and section 11 of P.L.1991, c.431
32 (C.40A:20-11), of the annual gross revenue from each unit of the
33 project, if the project is undertaken in units, or from the total
34 project, if the project is not undertaken in units. The percentage of
35 the annual gross revenue shall not be more than 15【%】 percent in
36 the case of a low and moderate income housing project, nor less
37 than 10【%】 percent in the case of all other projects.

38 At the option of the municipality, or where because of the nature
39 of the development, ownership, use or occupancy of the project or
40 any unit thereof, if the project is to be undertaken in units, the total
41 annual gross rental or gross shelter rent or annual gross revenue
42 cannot be reasonably ascertained, the governing body shall provide
43 in the financial agreement that the annual service charge shall be a
44 sum equal to a percentage determined pursuant to this subsection
45 and section 11 of P.L.1991, c.431 (C.40A:20-11), of the total
46 project cost or total project unit cost determined pursuant to
47 P.L.1991, c.431 (C.40A:20-1 et seq.) calculated from the first day
48 of the month following the substantial completion of the project or

1 any unit thereof, if the project is undertaken in units. The
2 percentage of the total project cost or total project unit cost shall not
3 be more than **【2%】** two percent in the case of a low and moderate
4 income housing project, and shall not be less than **【2%】** two
5 percent in the case of all other projects.

6 (2) In either case, the financial agreement shall establish a
7 schedule of annual service charges to be paid over the term of the
8 exemption period, which shall be in stages as follows:

9 (a) For the first stage of the exemption period, which shall
10 commence with the date of completion of the unit or of the project,
11 as the case may be, and continue for a time of not less than six years
12 nor more than 15 years, as specified in the financial agreement, the
13 urban renewal entity shall pay the municipality an annual service
14 charge for municipal services supplied to the project in an annual
15 amount equal to the amount determined pursuant to paragraph (1) of
16 this subsection and section 11 of P.L.1991, c.431 (C.40A:20-11).
17 For the remainder of the period of the exemption, if any, the annual
18 service charge shall be determined as follows:

19 (b) For the second stage of the exemption period, which shall
20 not be less than one year nor more than six years, as specified in the
21 financial agreement, an amount equal to either the amount
22 determined pursuant to paragraph (1) of this subsection and section
23 11 of P.L.1991, c.431 (C.40A:20-11), or **20【%】** percent of the
24 amount of taxes otherwise due on the value of the land and
25 improvements, whichever shall be greater;

26 (c) For the third stage of the exemption period, which shall not
27 be less than one year nor more than six years, as specified in the
28 financial agreement, an amount equal to either the amount
29 determined pursuant to paragraph (1) of this subsection and section
30 11 of P.L.1991, c.431 (C.40A:20-11), or **40【%】** percent of the
31 amount of taxes otherwise due on the value of the land and
32 improvements, whichever shall be greater;

33 (d) For the fourth stage of the exemption period, which shall not
34 be less than one year nor more than six years, as specified in the
35 financial agreement, an amount equal to either the amount
36 determined pursuant to paragraph (1) of this subsection and section
37 11 of P.L.1991, c.431 (C.40A:20-11), or **60【%】** percent of the
38 amount of taxes otherwise due on the value of the land and
39 improvements, whichever shall be greater; and

40 (e) For the final stage of the exemption period, the duration of
41 which shall not be less than one year and shall be specified in the
42 financial agreement, an amount equal to either the amount
43 determined pursuant to paragraph (1) of this subsection and section
44 11 of P.L.1991, c.431 (C.40A:20-11), or **80【%】** percent of the
45 amount of taxes otherwise due on the value of the land and
46 improvements, whichever shall be greater.

1 If the financial agreement provides for an exemption period of
2 less than 30 years from the completion of the entire project, less
3 than 35 years from the execution of the financial agreement, or less
4 than 50 years from the execution of the first financial agreement
5 implementing a project under the redevelopment agreement, the
6 financial agreement shall set forth a schedule of annual service
7 charges for the exemption period which shall be based upon the
8 minimum service charges and staged adjustments set forth in this
9 section.

10 The annual service charge shall be paid to the municipality on a
11 quarterly basis in a manner consistent with the municipality's tax
12 collection schedule.

13 Each municipality which enters into a financial agreement on or
14 after the effective date of P.L.2003, c.125 (C.40A:12A-4.1 et al.)
15 shall remit five percent of the annual service charge collected by the
16 municipality directly to the county **[in accordance with the**
17 **provisions of R.S.54:4-74].** ²**[Upon receipt of the annual service**
18 **charge, the municipal tax collector** ¹**or financial officer**¹ **shall**
19 **immediately notify the municipality and the chief financial officer**
20 **of the county within which the municipality is located. Within**
21 **seven days of the notification, the municipal tax collector** ¹**or**
22 **financial officer**¹ **shall directly transmit the five percent remittance**
23 **to the chief financial officer of the county]** **On** ³**[a quarterly basis]**
24 **the dates specified pursuant to R.S.54:4-66 concerning the payment**
25 **of municipal taxes**³, **the municipal tax collector or finance officer**
26 **in a municipality that receives an annual service charge shall notify**
27 **the chief financial officer of the county within which the**
28 **municipality is located that the municipality received an annual**
29 **service charge and** ³, **pursuant to R.S.54:4-74, on the fifteenth day**
30 **of the month in which each installment of taxes shall become**
31 **payable,**³ **shall directly transmit the five percent remittance to the**
32 **chief financial officer of the county. If the five percent remittance**
33 **due to the county is not paid when due** ³**[.] :**³ **the unpaid balance**
34 **thereof and interest, at the rate of one percent per month accrued**
35 **thereon, together with attorneys' fees and court costs, may be**
36 **recovered by the county from the municipality in an action filed in a**
37 **court of competent jurisdiction**^{2 3}; **and the municipal tax collector**
38 **or finance officer shall be subject to revocation or suspension of**
39 **their certificate pursuant to section 5 of P.L.1979, c.384 (C.40A:9-**
40 **145.5) or section 7 of P.L.1988, c.110 (C.40A:9-140.12),**
41 **respectively**³. If the municipality enters into a contract with a board
42 of education pursuant to section 7 of P.L.2023, c.311 (C.18A:7G-
43 15.1a), the municipality shall also remit to the board of education
44 such amounts as may be required under the contract.

45 Against the annual service charge the urban renewal entity shall
46 be entitled to credit for the amount, without interest, of the real

1 estate taxes on land paid by it in the last four preceding quarterly
2 installments.

3 Notwithstanding the provisions of this section or of the financial
4 agreement, the minimum annual service charge shall be the amount
5 of the total taxes levied against all real property in the area covered
6 by the project in the last full tax year in which the area was subject
7 to taxation, and the minimum annual service charge shall be paid in
8 each year in which the annual service charge calculated pursuant to
9 this section or the financial agreement would be less than the
10 minimum annual service charge.

11 c. All exemptions granted pursuant to the provisions of
12 P.L.1991, c.431 (C.40A:20-1 et seq.) shall terminate at the time
13 prescribed in the financial agreement.

14 Upon the termination of the exemption granted pursuant to the
15 provisions of P.L.1991, c.431 (C.40A:20-1 et seq.), the project, all
16 affected parcels, land and all improvements made thereto shall be
17 assessed and subject to taxation as are other taxable properties in
18 the municipality. After the date of termination, all restrictions and
19 limitations upon the urban renewal entity shall terminate and be at
20 an end upon the entity's rendering its final accounting to and with
21 the municipality.

22 (cf: P.L.2023, c.311, s.26)

23

24 3. This act shall take effect on the first day of the third month
25 next following the date of enactment, and shall apply to each annual
26 service charge received by the tax collector beginning on or after
27 that date.

[Fourth Reprint]

SENATE, No. 3787

STATE OF NEW JERSEY
221st LEGISLATURE

INTRODUCED OCTOBER 10, 2024

Sponsored by:

Senator NICHOLAS P. SCUTARI

District 22 (Somerset and Union)

Senator M. TERESA RUIZ

District 29 (Essex and Hudson)

Assemblywoman ELIANA PINTOR MARIN

District 29 (Essex and Hudson)

Assemblywoman CARMEN THERESA MORALES

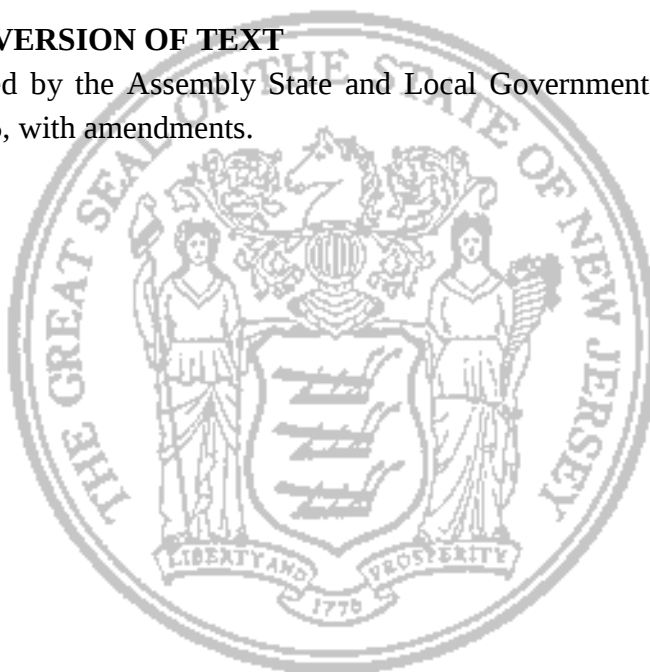
District 34 (Essex)

SYNOPSIS

Requires municipal tax collectors who obtain payments in lieu of taxes under "Long Term Tax Exemption Law" to transmit county portion directly to county.

CURRENT VERSION OF TEXT

As reported by the Assembly State and Local Government Committee on May 15, 2025, with amendments.



(Sponsorship Updated As Of: 5/22/2025)

1 AN ACT concerning certain payments in lieu of taxes under the
2 "Long Term Tax Exemption Law" and amending P.L.1991, c.431
3 ⁴and R.S.54:4-74⁴.
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
7

8 1. Section 9 of P.L.1991, c.431 (C.40A:20-9) is amended to
9 read as follows:

10 9. Every approved project shall be evidenced by a financial
11 agreement between the municipality and the urban renewal entity.
12 The agreement shall be prepared by the entity and submitted as a
13 separate part of its application for project approval. The agreement
14 shall not take effect until approved by ordinance of the
15 municipality. The municipality shall notify the chief financial
16 officer of the county and the clerk to the board of county
17 commissioners of the county within which the municipality is
18 located of the date, time, and place of the public hearing required to
19 be held prior to the passage of the ordinance. Any amendments or
20 modifications of the agreement made thereafter shall be by mutual
21 consent of the municipality and the urban renewal entity, and shall
22 be subject to approval by ordinance of the municipal governing
23 body upon recommendation of the mayor or other chief executive
24 officer of the municipality prior to taking effect.

25 The financial agreement shall be in the form of a contract
26 requiring full performance within 30 years from the date of
27 completion of the project, and shall include the following:

28 a. That the profits of or dividends payable by the urban
29 renewal entity shall be limited according to terms appropriate for
30 the type of entity in conformance with the provisions of P.L.1991,
31 c.431 (C.40A:20-1 et seq.).

32 b. That all improvements and land, to the extent authorized
33 pursuant to section 12 of P.L.1991, c.431 (C.40A:20-12), in the
34 project to be constructed or acquired by the urban renewal entity
35 shall be exempt from taxation as provided in
36 P.L.1991, c.431 (C.40A:20-1 et seq.).

37 c. That the urban renewal entity shall make payments for
38 municipal services as provided in P.L.1991, c.431 (C.40A:20-1 et
39 seq.).

40 d. That the urban renewal entity shall submit annually, within
41 90 days after the close of its fiscal year, its auditor's reports to the
42 mayor and governing body of the municipality.

43 e. That the urban renewal entity shall, upon request, permit
44 inspection of property, equipment, buildings and other facilities of

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 December 5, 2024.

²Senate floor amendments adopted December 19, 2024.

³Senate floor amendments adopted January 14, 2025.

⁴Assembly ASL committee amendments adopted May 15, 2025.

1 the entity, and also permit examination and audit of its books,
2 contracts, records, documents and papers by authorized
3 representatives of the municipality or the State.

4 f. That in the event of any dispute between the parties matters
5 in controversy shall be resolved by arbitration in the manner
6 provided in the financial agreement.

7 g. That operation under the financial agreement shall be
8 terminable by the urban renewal entity in the manner provided by
9 P.L.1991, c.431 (C.40A:20-1 et seq.).

10 h. That the urban renewal entity shall at all times prior to the
11 expiration or other termination of the financial agreement remain
12 bound by the provisions of P.L.1991, c.431 (C.40A:20-1 et seq.).

13 The financial agreement shall contain detailed representations
14 and covenants by the urban renewal entity as to the manner in
15 which it proposes to use, manage or operate the project. The
16 financial agreement shall further set forth the method for computing
17 gross revenue for the urban renewal entity, the method of
18 determining insurance, operating and maintenance expenses paid by
19 a tenant which are ordinarily paid by a landlord, the plans for
20 financing the project, including the estimated total project cost, the
21 amortization rate on the total project cost, the source of funds, the
22 interest rates to be paid on the construction financing, the source
23 and amount of paid-in capital, the terms of mortgage amortization
24 or payment of principal on any mortgage, a good faith projection of
25 initial sales prices of any condominium units and expenses to be
26 incurred in promoting and consummating such sales, and the rental
27 schedules and lease terms to be used in the project. Any financial
28 agreement may allow the municipality to levy an annual
29 administrative fee, not to exceed two percent of the annual service
30 charge.

31 (cf: P.L.2015, c.95, s.28)

32

33 2. Section 12 of P.L.1991, c.431 (C.40A:20-12) is amended to
34 read as follows:

35 12. The rehabilitation or improvements made in the development
36 or redevelopment of a redevelopment area or area appurtenant
37 thereto or for a redevelopment relocation housing project, pursuant
38 to P.L.1991, c.431 (C.40A:20-1 et seq.), shall be exempt from
39 taxation for a limited period as hereinafter provided. When housing
40 is to be constructed, acquired or rehabilitated by an urban renewal
41 entity, the land upon which that housing is situated shall be exempt
42 from taxation for a limited period as hereinafter provided. The
43 exemption shall be allowed when the clerk of the municipality
44 wherein the property is situated shall certify to the municipal tax
45 assessor that a financial agreement with an urban renewal entity for
46 the development or the redevelopment of the property, or the
47 provision of a redevelopment relocation housing project, or the
48 provision of a low and moderate income housing project has been

1 entered into and is in effect as required by P.L.1991, c.431
2 (C.40A:20-1 et seq.).

3 Delivery by the municipal clerk to the municipal tax assessor of
4 a certified copy of the ordinance of the governing body approving
5 the tax exemption and financial agreement with the urban renewal
6 entity shall constitute the required certification. For each
7 exemption granted pursuant to P.L.2003, c.125 (C.40A:12A-4.1 et
8 al.), upon certification as required hereunder, the tax assessor shall
9 implement the exemption and continue to enforce that exemption
10 without further certification by the clerk until the expiration of the
11 entitlement to exemption by the terms of the financial agreement or
12 until the tax assessor has been duly notified by the clerk that the
13 exemption has been terminated.

14 Within 10 calendar days following the later of the effective date
15 of an ordinance following its final adoption by the governing body
16 approving the tax exemption or the execution of the financial
17 agreement by the urban renewal entity, the municipal clerk shall
18 transmit a certified copy of the ordinance and financial agreement
19 to the chief financial officer of the county and to the county counsel
20 for informational purposes.

21 Whenever an exemption status changes during a tax year, the
22 procedure for the apportionment of the taxes for the year shall be
23 the same as in the case of other changes in tax exemption status
24 during the tax year. Tax exemptions granted pursuant to P.L.2003,
25 c.125 (C.40A:12A-4.1 et al.) represent long term financial
26 agreements between the municipality and the urban renewal entity
27 and as such constitute a single continuing exemption from local
28 property taxation for the duration of the financial agreement. The
29 validity of a financial agreement or any exemption granted pursuant
30 thereto may be challenged only by filing an action in lieu of
31 prerogative writ within 20 days from the publication of a notice of
32 the adoption of an ordinance by the governing body granting the
33 exemption and approving the financial agreement. Such notice
34 shall be published in a newspaper of general circulation in the
35 municipality and in a newspaper of general circulation in the county
36 if different from the municipal newspaper.

37 a. The financial agreement shall specify the duration of the
38 exemption for urban renewal entities in accordance with the
39 parameters of either paragraph (1) or paragraph (2) of this
40 subsection:

41 (1) the financial agreement may specify a duration of not more
42 than 30 years from the completion of the entire project, or unit of
43 the project if the project is undertaken in units, or not more than 35
44 years from the execution of the financial agreement between the
45 municipality and the urban renewal entity; or

46 (2) for each project undertaken pursuant to a redevelopment
47 agreement which allows the redeveloper to undertake two or more
48 projects sequentially, the financial agreement may specify a

1 duration of not more than 30 years from the completion of a project,
2 or unit of the project if the project is undertaken in units, or not
3 more than 50 years from the execution of the first financial
4 agreement implementing a project under the redevelopment
5 agreement. As used in this subsection, "redevelopment agreement"
6 means an agreement entered into pursuant to subsection f. of section
7 8 of P.L.1992, c.79 (C.40A:12A-8) between a municipality or
8 redevelopment entity and a redeveloper.

9 A financial agreement may provide for an exemption period of
10 less than 30 years from the completion of the entire project, less
11 than 35 years from the execution of the financial agreement, or less
12 than 50 years from the execution of the first financial agreement
13 implementing a project under the redevelopment agreement.
14 Nothing in this subsection shall be construed as requiring a
15 financial agreement for a project undertaken pursuant to a
16 redevelopment agreement which allows the redeveloper to
17 undertake two or more projects sequentially to specify a duration
18 within the parameters of paragraph (2) of this subsection.

19 b. During the term of any exemption, in lieu of any taxes to be
20 paid on the buildings and improvements of the project and, to the
21 extent authorized pursuant to this section, on the land, the urban
22 renewal entity shall make payment to the municipality of an annual
23 service charge, which shall remit a portion of that revenue to the
24 county as provided hereinafter. In addition, the municipality may
25 assess an administrative fee, not to exceed two percent of the annual
26 service charge, for the processing of the application. The annual
27 service charge for municipal services supplied to the project to be
28 paid by the urban renewal entity for any period of exemption, shall
29 be determined as follows:

30 (1) An annual amount equal to a percentage determined
31 pursuant to this subsection and section 11 of P.L.1991, c.431
32 (C.40A:20-11), of the annual gross revenue from each unit of the
33 project, if the project is undertaken in units, or from the total
34 project, if the project is not undertaken in units. The percentage of
35 the annual gross revenue shall not be more than 15 **【%】** percent in
36 the case of a low and moderate income housing project, nor less
37 than 10 **【%】** percent in the case of all other projects.

38 At the option of the municipality, or where because of the nature
39 of the development, ownership, use or occupancy of the project or
40 any unit thereof, if the project is to be undertaken in units, the total
41 annual gross rental or gross shelter rent or annual gross revenue
42 cannot be reasonably ascertained, the governing body shall provide
43 in the financial agreement that the annual service charge shall be a
44 sum equal to a percentage determined pursuant to this subsection
45 and section 11 of P.L.1991, c.431 (C.40A:20-11), of the total
46 project cost or total project unit cost determined pursuant to
47 P.L.1991, c.431 (C.40A:20-1 et seq.) calculated from the first day
48 of the month following the substantial completion of the project or

1 any unit thereof, if the project is undertaken in units. The
2 percentage of the total project cost or total project unit cost shall not
3 be more than **【2%】** two percent in the case of a low and moderate
4 income housing project, and shall not be less than **【2%】** two
5 percent in the case of all other projects.

6 (2) In either case, the financial agreement shall establish a
7 schedule of annual service charges to be paid over the term of the
8 exemption period, which shall be in stages as follows:

9 (a) For the first stage of the exemption period, which shall
10 commence with the date of completion of the unit or of the project,
11 as the case may be, and continue for a time of not less than six years
12 nor more than 15 years, as specified in the financial agreement, the
13 urban renewal entity shall pay the municipality an annual service
14 charge for municipal services supplied to the project in an annual
15 amount equal to the amount determined pursuant to paragraph (1) of
16 this subsection and section 11 of P.L.1991, c.431 (C.40A:20-11).
17 For the remainder of the period of the exemption, if any, the annual
18 service charge shall be determined as follows:

19 (b) For the second stage of the exemption period, which shall
20 not be less than one year nor more than six years, as specified in the
21 financial agreement, an amount equal to either the amount
22 determined pursuant to paragraph (1) of this subsection and section
23 11 of P.L.1991, c.431 (C.40A:20-11), or 20 **【%】** percent of the
24 amount of taxes otherwise due on the value of the land and
25 improvements, whichever shall be greater;

26 (c) For the third stage of the exemption period, which shall not
27 be less than one year nor more than six years, as specified in the
28 financial agreement, an amount equal to either the amount
29 determined pursuant to paragraph (1) of this subsection and section
30 11 of P.L.1991, c.431 (C.40A:20-11), or 40 **【%】** percent of the
31 amount of taxes otherwise due on the value of the land and
32 improvements, whichever shall be greater;

33 (d) For the fourth stage of the exemption period, which shall not
34 be less than one year nor more than six years, as specified in the
35 financial agreement, an amount equal to either the amount
36 determined pursuant to paragraph (1) of this subsection and section
37 11 of P.L.1991, c.431 (C.40A:20-11), or 60 **【%】** percent of the
38 amount of taxes otherwise due on the value of the land and
39 improvements, whichever shall be greater; and

40 (e) For the final stage of the exemption period, the duration of
41 which shall not be less than one year and shall be specified in the
42 financial agreement, an amount equal to either the amount
43 determined pursuant to paragraph (1) of this subsection and section
44 11 of P.L.1991, c.431 (C.40A:20-11), or 80 **【%】** percent of the
45 amount of taxes otherwise due on the value of the land and
46 improvements, whichever shall be greater.

1 If the financial agreement provides for an exemption period of
2 less than 30 years from the completion of the entire project, less
3 than 35 years from the execution of the financial agreement, or less
4 than 50 years from the execution of the first financial agreement
5 implementing a project under the redevelopment agreement, the
6 financial agreement shall set forth a schedule of annual service
7 charges for the exemption period which shall be based upon the
8 minimum service charges and staged adjustments set forth in this
9 section.

10 The annual service charge shall be paid to the municipality on a
11 quarterly basis in a manner consistent with the municipality's tax
12 collection schedule.

13 Each municipality which enters into a financial agreement on or
14 after the effective date of P.L.2003, c.125 (C.40A:12A-4.1 et al.)
15 shall remit five percent of the annual service charge collected by the
16 municipality ⁴~~directly~~⁴ to the county ~~in accordance with the~~
17 ~~provisions of R.S.54:4-74~~ ⁴~~in accordance with the provisions of~~
18 ~~R.S.54:4-74~~⁴. ²~~Upon receipt of the annual service charge, the~~
19 ~~municipal tax collector~~ ¹~~or financial officer~~¹ shall immediately
20 ~~notify the municipality and the chief financial officer of the county~~
21 ~~within which the municipality is located. Within seven days of the~~
22 ~~notification, the municipal tax collector~~ ¹~~or financial officer~~¹ shall
23 ~~directly transmit the five percent remittance to the chief financial~~
24 ~~officer of the county~~ ⁴~~On~~ ³~~a quarterly basis~~ the dates specified
25 pursuant to R.S.54:4-66 concerning the payment of municipal
26 taxes³, the municipal tax collector or finance officer in a
27 municipality that receives an annual service charge shall notify the
28 chief financial officer of the county within which the municipality
29 is located that the municipality received an annual service charge
30 and ³, pursuant to R.S.54:4-74, on the fifteenth day of the month in
31 which each installment of taxes shall become payable,³ shall
32 directly transmit the five percent remittance to the chief financial
33 officer of the county.⁴ If the five percent remittance due to the
34 county is not paid when due ⁴~~[³,] :³]~~,⁴ the unpaid balance thereof
35 and interest, at the rate of one percent per month accrued thereon,
36 together with attorneys' fees and court costs, may be recovered by
37 the county from the municipality in an action filed in a court of
38 competent jurisdiction² ⁴~~[³; and the]~~. A⁴ municipal ⁴~~tax~~
39 ~~collector or~~⁴ finance officer ⁴~~shall~~ certificate may⁴ be subject to
40 revocation or suspension ⁴~~of their certificate~~⁴ pursuant to
41 ⁴~~section 5 of P.L.1979, c.384 (C.40A:9-145.5) or~~⁴ section 7 of
42 P.L.1988, c.110 (C.40A:9-140.12) ⁴~~[, respectively³]~~ for willful or
43 intentional failure, neglect, or refusal to comply with this section⁴. If
44 the municipality enters into a contract with a board of education
45 pursuant to section 7 of P.L.2023, c.311 (C.18A:7G-15.1a), the

1 municipality shall also remit to the board of education such
2 amounts as may be required under the contract.

3 Against the annual service charge the urban renewal entity shall
4 be entitled to credit for the amount, without interest, of the real
5 estate taxes on land paid by it in the last four preceding quarterly
6 installments.

7 Notwithstanding the provisions of this section or of the financial
8 agreement, the minimum annual service charge shall be the amount
9 of the total taxes levied against all real property in the area covered
10 by the project in the last full tax year in which the area was subject
11 to taxation, and the minimum annual service charge shall be paid in
12 each year in which the annual service charge calculated pursuant to
13 this section or the financial agreement would be less than the
14 minimum annual service charge.

15 c. All exemptions granted pursuant to the provisions of
16 P.L.1991, c.431 (C.40A:20-1 et seq.) shall terminate at the time
17 prescribed in the financial agreement.

18 Upon the termination of the exemption granted pursuant to the
19 provisions of P.L.1991, c.431 (C.40A:20-1 et seq.), the project, all
20 affected parcels, land and all improvements made thereto shall be
21 assessed and subject to taxation as are other taxable properties in
22 the municipality. After the date of termination, all restrictions and
23 limitations upon the urban renewal entity shall terminate and be at
24 an end upon the entity's rendering its final accounting to and with
25 the municipality.

26 (cf: P.L.2023, c.311, s.26)

27

28 ⁴3. R.S.54:4-74 is amended to read as follows:

29 54:4-74. For the purpose of this section:

30 "County tax due" or "tax due" means the amount so assessed less
31 the county's proportionate share of the property taxes no longer owed
32 by the municipality pursuant to the blue acres property tax exemption
33 established by subsection b. of section 1 of P.L.2013, c.261 (C.54:4-
34 3.3g) and less any applicable credit established by subsection e. of
35 section 1 of P.L.2013, c.261 (C.54:4-3.3g), but shall include all
36 amounts collected by the county under agreements entered into by
37 municipalities pursuant to the "Long Term Tax Exemption Law,"
38 P.L.1991, c.431 (C.40A:20-1 et seq.).

39 The governing body of each municipality shall cause to be paid to
40 the treasurer of the county, in four installments, the amount of county
41 tax due, and the other county taxes required to be assessed and raised
42 in such municipality, on the fifteenth day of the month in which each
43 installment of taxes shall become payable, except, that in those years
44 when the third installment has been determined by the tax collector to
45 be due after August 10, the installment shall be due no later than five
46 days after the twenty-fifth day from when the tax bill was mailed or
47 otherwise delivered pursuant to subsection a. of R.S.54:4-64, but no
48 later than September 15. The amount to be payable as each of the first

1 two installments shall be one-quarter of the total county tax due and
2 one-quarter of the other total county taxes finally levied against the
3 municipality for the preceding year, and the amount to be payable for
4 the third and fourth installments shall be the county tax due, and for
5 the other county taxes the full tax as levied, for the current year, less
6 the amount charged as the first and second installments. The total
7 amount thus found to be payable as the last two installments shall be
8 divided equally for and as each installment. The governing body of
9 each municipality shall cause to be paid to the county treasurer on
10 December fifteenth of each year all of the taxes required to be assessed
11 and raised by taxation in such taxing district for State school and other
12 State purposes.

13 With each installment required to be paid pursuant to this section,
14 the chief municipal finance officer shall provide the following
15 information for each agreement entered into by the municipality,
16 pursuant to the "Long Term Tax Exemption Law," P.L.1991, c.431
17 (C.40A:20-1 et seq.), on after the effective date of P.L.2003, c.125
18 (C.40A:12A-4.1 et seq.):

- 19 a. the project name and address;
- 20 b. the date on which the municipality entered into the agreement;
- 21 c. the expiration date of the agreement;
- 22 d. the amount of the annual service charge to be paid to the
23 municipality;
- 24 e. the annual amount due to the county;
- 25 f. the portion of the quarterly service charge installment due to
26 the county;
- 27 g. the quarterly installment amount collected by the municipality;
28 and
- 29 h. the amount attributable to the agreement that is included in the
30 installment of county tax due.⁴

31 (cf: P.L.2015, c.247, s.2)

32

33 ⁴[3.] 4.⁴ This act shall take effect on the first day of the third
34 month next following the date of enactment, and ⁴for a financial
35 agreement subject to the provisions of "Long Term Tax Exemption
36 Law," P.L.1991, c.431 (C.40A:20-1 et seq.) that was entered into on or
37 after the effective date of P.L.2003, c.125 (C.40A:12A-4.1 et seq.),⁴
38 shall apply to each annual service charge received ⁴by the tax
39 collector]⁴ beginning on or after ⁴[that] the first day of the third
40 month next following the⁴ date ⁴of enactment⁴.

ASSEMBLY STATE AND LOCAL GOVERNMENT
COMMITTEE

STATEMENT TO

[Third Reprint]

SENATE, No. 3787

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 15, 2025

The Assembly State and Local Government Committee reports favorably and with committee amendments Senate Bill No. 3787 (3R).

As amended, this bill amends certain provisions of the "Long Term Tax Exemption Law," P.L.1991, c.431 (C.40A:20-1 et seq.) concerning payments in lieu of tax received by a municipality when a long-term tax abatement is granted for the rehabilitation or improvements made in the development or redevelopment of a redevelopment area or for a redevelopment relocation housing project pursuant to that law.

Under current law, a municipality receiving a payment in lieu of tax, referred to in the law as the "annual service charge," is required to remit to the county in which the municipality is located, five percent of the amount of the annual service charge.

The bill amends the law to provide that, if the five percent remittance due to the county is not paid when due, the unpaid balance thereof and interest, at the rate of one percent per month accrued thereon, together with attorneys' fees and court costs, may be recovered by the county from the municipality in an action filed in a court of competent jurisdiction; and that the municipal finance officer may be subject to revocation or suspension for willful or intentional failure, neglect, or refusal to comply.

The law also requires that every redevelopment project approved by the municipality to be evidenced by a financial agreement between the municipality and the urban renewal entity, and the agreement cannot take effect until approved by ordinance of the municipality. The bill further requires that notice of the time, date, and place of the public hearing required to be held prior to the approval of the ordinance on the financial agreement be provided to the chief financial officer of the county and the clerk to the board of county commissioner of the county within which the municipality is located.

The bill also amends existing law to provide that, with each installment required to be paid, the chief municipal finance officer

is required to provide certain information, as specified in the bill, for each agreement entered into by the municipality.

The bill also makes technical changes.

As amended and reported by the committee, Senate Bill No. 3787 (3R) is identical to Assembly Bill No. 5613, which was also amended and reported by the committee on this date.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

- remove language providing that, on the dates specified pursuant to law concerning the payment of municipal taxes, the municipal tax collector or finance officer in a municipality that receives an annual service charge was required to notify the chief financial officer of the county within which the municipality is located that the municipality received an annual service charge and, on the fifteenth day of the month in which each installment of taxes shall become payable, to directly transmit the five percent remittance to the chief financial officer of the county;
- provide that a municipal finance officer certificate may be subject to revocation or suspension for willful or intentional failure, neglect, or refusal to comply;
- remove language that specified that a municipal tax collector would be subject to certificate revocation;
- require that, with each required payment installment, the chief municipal finance officer is to provide the following information for each agreement entered into by the municipality: the project name and address; the date on which the municipality entered into the agreement; the expiration date of the agreement; the amount of the annual service charge to be paid to the municipality; the annual amount due to the county; the portion of the quarterly service charge installment due to the county; the quarterly installment amount collected by the municipality; and the amount attributable to the agreement that is included in the installment of county tax due; and
- provide that the bill is to take effect the first day of the third month next following the date of enactment, and, for a financial agreement subject to the provisions of "Long Term Tax Exemption Law" that was entered into on or after the effective date of P.L.2003, c.125, apply to each annual service charge received beginning on or after the first day of the third month next following the date of enactment.

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 3787

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 5, 2024

The Senate Community and Urban Affairs Committee reports favorably, and with committee amendments, Senate Bill No. 3787.

As amended, this bill amends certain provisions of the "Long Term Tax Exemption Law," P.L.1991, c.431 (C.40A:20-1 et seq.) concerning payments in lieu of tax received by a municipality when a long-term tax abatement is granted for the rehabilitation or improvements made in the development or redevelopment of a redevelopment area or for a redevelopment relocation housing project pursuant to that law.

Under current law, a municipality receiving a payment in lieu of tax, referred to in the law as the "annual service charge," is required to remit to the county in which the municipality is located, five percent of the amount of the annual service charge. This bill amends the law to require the municipal tax collector or finance officer, upon receipt of the annual service charge, to immediately notify the municipality and the chief financial officer of the county within which the municipality is located. Under the bill, within seven days of the notification, the municipal tax collector or finance officer is required to directly transmit the five percent remittance to the chief financial officer of the county.

The law also requires that every redevelopment project approved by the municipality to be evidenced by a financial agreement between the municipality and the urban renewal entity, and the agreement cannot take effect until approved by ordinance of the municipality. The bill further requires that notice of the time, date, and place of the public hearing required to be held prior to the approval of the ordinance on the financial agreement be provided to the chief financial officer of the county and the clerk to the board of county commissioner of the county within which the municipality is located.

The bill also makes technical changes.

COMMITTEE AMENDMENTS:

The committee amended the bill to expand the municipal designee from tax collector to tax collector or finance officer.

STATEMENT TO

[First Reprint]

SENATE, No. 3787

with Senate Floor Amendments
(Proposed by Senator SCUTARI)

ADOPTED: DECEMBER 19, 2024

These Senate floor amendments require that the municipal tax collector or finance officer in a municipality that receives an annual service charge, as a payment in lieu of taxes under the "Long Term Tax Exemption Law," notify the chief financial officer of the county within which the municipality is located that the municipality received an annual service charge, and requires that individual to directly transmit the five percent remittance to the chief financial officer of the county. The amendments further provide that if the five percent remittance due the county is not paid when due, the unpaid balance and interest, at the rate of one percent per month accrued thereon, together with attorneys' fees and court costs, may be recovered by the county from the municipality in an action filed in a court of competent jurisdiction.

STATEMENT TO
[Second Reprint]
SENATE, No. 3787

with Senate Floor Amendments
(Proposed by Senator SCUTARI)

ADOPTED: JANUARY 14, 2025

These Senate floor amendments provide that the municipal tax collector or finance officer in a municipality that receives an annual service charge under the “Long Term Tax Exemption Law” is required to:

- notify the chief financial officer of the county within which the municipality is located that the municipality received an annual service charge on the dates specified pursuant to R.S.54:4-66, February 1, May 1, August 1, and November 1, concerning the payment of municipal taxes; and
- directly transmit the five percent remittance to the chief financial officer of the county on the fifteenth day of the month in which each installment of taxes are due.

The amendments also provide that, if the five percent remittance due to the county is not paid when due, the municipal tax collector or finance officer may be subject to revocation or suspension of their professional certification.

ASSEMBLY, No. 5613

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED MAY 5, 2025

Sponsored by:

Assemblywoman ELIANA PINTOR MARIN

District 29 (Essex and Hudson)

Assemblywoman CARMEN THERESA MORALES

District 34 (Essex)

SYNOPSIS

Requires municipal tax collectors who obtain payments in lieu of taxes under "Long Term Tax Exemption Law" to transmit county portion directly to county.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/15/2025)

1 AN ACT concerning certain payments in lieu of taxes under the
2 "Long Term Tax Exemption Law" and amending P.L.1991,
3 c.431.

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

7
8 1. Section 9 of P.L.1991, c.431 (C.40A:20-9) is amended to
9 read as follows:

10 9. Every approved project shall be evidenced by a financial
11 agreement between the municipality and the urban renewal entity.
12 The agreement shall be prepared by the entity and submitted as a
13 separate part of its application for project approval. The agreement
14 shall not take effect until approved by ordinance of the
15 municipality. The municipality shall notify the chief financial
16 officer of the county and the clerk to the board of county
17 commissioners of the county within which the municipality is
18 located of the date, time, and place of the public hearing required to
19 be held prior to the passage of the ordinance. Any amendments or
20 modifications of the agreement made thereafter shall be by mutual
21 consent of the municipality and the urban renewal entity, and shall
22 be subject to approval by ordinance of the municipal governing
23 body upon recommendation of the mayor or other chief executive
24 officer of the municipality prior to taking effect.

25 The financial agreement shall be in the form of a contract
26 requiring full performance within 30 years from the date of
27 completion of the project, and shall include the following:

28 a. That the profits of or dividends payable by the urban
29 renewal entity shall be limited according to terms appropriate for
30 the type of entity in conformance with the provisions of P.L.1991,
31 c.431 (C.40A:20-1 et seq.).

32 b. That all improvements and land, to the extent authorized
33 pursuant to section 12 of P.L.1991, c.431 (C.40A:20-12), in the
34 project to be constructed or acquired by the urban renewal entity
35 shall be exempt from taxation as provided in
36 P.L.1991, c.431 (C.40A:20-1 et seq.).

37 c. That the urban renewal entity shall make payments for
38 municipal services as provided in P.L.1991, c.431 (C.40A:20-1 et
39 seq.).

40 d. That the urban renewal entity shall submit annually, within
41 90 days after the close of its fiscal year, its auditor's reports to the
42 mayor and governing body of the municipality.

43 e. That the urban renewal entity shall, upon request, permit
44 inspection of property, equipment, buildings and other facilities of
45 the entity, and also permit examination and audit of its books,

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 contracts, records, documents and papers by authorized
2 representatives of the municipality or the State.

3 f. That in the event of any dispute between the parties matters
4 in controversy shall be resolved by arbitration in the manner
5 provided in the financial agreement.

6 g. That operation under the financial agreement shall be
7 terminable by the urban renewal entity in the manner provided by
8 P.L.1991, c.431 (C.40A:20-1 et seq.).

9 h. That the urban renewal entity shall at all times prior to the
10 expiration or other termination of the financial agreement remain
11 bound by the provisions of P.L.1991, c.431 (C.40A:20-1 et seq.).

12 The financial agreement shall contain detailed representations
13 and covenants by the urban renewal entity as to the manner in
14 which it proposes to use, manage or operate the project. The
15 financial agreement shall further set forth the method for computing
16 gross revenue for the urban renewal entity, the method of
17 determining insurance, operating and maintenance expenses paid by
18 a tenant which are ordinarily paid by a landlord, the plans for
19 financing the project, including the estimated total project cost, the
20 amortization rate on the total project cost, the source of funds, the
21 interest rates to be paid on the construction financing, the source
22 and amount of paid-in capital, the terms of mortgage amortization
23 or payment of principal on any mortgage, a good faith projection of
24 initial sales prices of any condominium units and expenses to be
25 incurred in promoting and consummating such sales, and the rental
26 schedules and lease terms to be used in the project. Any financial
27 agreement may allow the municipality to levy an annual
28 administrative fee, not to exceed two percent of the annual service
29 charge.

30 (cf: P.L.2015, c.95, s.28)

31

32 2. Section 12 of P.L.1991, c.431 (C.40A:20-12) is amended to
33 read as follows:

34 12. The rehabilitation or improvements made in the development
35 or redevelopment of a redevelopment area or area appurtenant
36 thereto or for a redevelopment relocation housing project, pursuant
37 to P.L.1991, c.431 (C.40A:20-1 et seq.), shall be exempt from
38 taxation for a limited period as hereinafter provided. When housing
39 is to be constructed, acquired or rehabilitated by an urban renewal
40 entity, the land upon which that housing is situated shall be exempt
41 from taxation for a limited period as hereinafter provided. The
42 exemption shall be allowed when the clerk of the municipality
43 wherein the property is situated shall certify to the municipal tax
44 assessor that a financial agreement with an urban renewal entity for
45 the development or the redevelopment of the property, or the
46 provision of a redevelopment relocation housing project, or the
47 provision of a low and moderate income housing project has been

1 entered into and is in effect as required by P.L.1991, c.431
2 (C.40A:20-1 et seq.).

3 Delivery by the municipal clerk to the municipal tax assessor of
4 a certified copy of the ordinance of the governing body approving
5 the tax exemption and financial agreement with the urban renewal
6 entity shall constitute the required certification. For each
7 exemption granted pursuant to P.L.2003, c.125 (C.40A:12A-4.1 et
8 al.), upon certification as required hereunder, the tax assessor shall
9 implement the exemption and continue to enforce that exemption
10 without further certification by the clerk until the expiration of the
11 entitlement to exemption by the terms of the financial agreement or
12 until the tax assessor has been duly notified by the clerk that the
13 exemption has been terminated.

14 Within 10 calendar days following the later of the effective date
15 of an ordinance following its final adoption by the governing body
16 approving the tax exemption or the execution of the financial
17 agreement by the urban renewal entity, the municipal clerk shall
18 transmit a certified copy of the ordinance and financial agreement
19 to the chief financial officer of the county and to the county counsel
20 for informational purposes.

21 Whenever an exemption status changes during a tax year, the
22 procedure for the apportionment of the taxes for the year shall be
23 the same as in the case of other changes in tax exemption status
24 during the tax year. Tax exemptions granted pursuant to P.L.2003,
25 c.125 (C.40A:12A-4.1 et al.) represent long term financial
26 agreements between the municipality and the urban renewal entity
27 and as such constitute a single continuing exemption from local
28 property taxation for the duration of the financial agreement. The
29 validity of a financial agreement or any exemption granted pursuant
30 thereto may be challenged only by filing an action in lieu of
31 prerogative writ within 20 days from the publication of a notice of
32 the adoption of an ordinance by the governing body granting the
33 exemption and approving the financial agreement. Such notice
34 shall be published in a newspaper of general circulation in the
35 municipality and in a newspaper of general circulation in the county
36 if different from the municipal newspaper.

37 a. The financial agreement shall specify the duration of the
38 exemption for urban renewal entities in accordance with the
39 parameters of either paragraph (1) or paragraph (2) of this
40 subsection:

41 (1) the financial agreement may specify a duration of not more
42 than 30 years from the completion of the entire project, or unit of
43 the project if the project is undertaken in units, or not more than 35
44 years from the execution of the financial agreement between the
45 municipality and the urban renewal entity; or

46 (2) for each project undertaken pursuant to a redevelopment
47 agreement which allows the redeveloper to undertake two or more
48 projects sequentially, the financial agreement may specify a

1 duration of not more than 30 years from the completion of a project,
2 or unit of the project if the project is undertaken in units, or not
3 more than 50 years from the execution of the first financial
4 agreement implementing a project under the redevelopment
5 agreement. As used in this subsection, "redevelopment agreement"
6 means an agreement entered into pursuant to subsection f. of section
7 8 of P.L.1992, c.79 (C.40A:12A-8) between a municipality or
8 redevelopment entity and a redeveloper.

9 A financial agreement may provide for an exemption period of
10 less than 30 years from the completion of the entire project, less
11 than 35 years from the execution of the financial agreement, or less
12 than 50 years from the execution of the first financial agreement
13 implementing a project under the redevelopment agreement.
14 Nothing in this subsection shall be construed as requiring a
15 financial agreement for a project undertaken pursuant to a
16 redevelopment agreement which allows the redeveloper to
17 undertake two or more projects sequentially to specify a duration
18 within the parameters of paragraph (2) of this subsection.

19 b. During the term of any exemption, in lieu of any taxes to be
20 paid on the buildings and improvements of the project and, to the
21 extent authorized pursuant to this section, on the land, the urban
22 renewal entity shall make payment to the municipality of an annual
23 service charge, which shall remit a portion of that revenue to the
24 county as provided hereinafter. In addition, the municipality may
25 assess an administrative fee, not to exceed two percent of the annual
26 service charge, for the processing of the application. The annual
27 service charge for municipal services supplied to the project to be
28 paid by the urban renewal entity for any period of exemption, shall
29 be determined as follows:

30 (1) An annual amount equal to a percentage determined
31 pursuant to this subsection and section 11 of P.L.1991, c.431
32 (C.40A:20-11), of the annual gross revenue from each unit of the
33 project, if the project is undertaken in units, or from the total
34 project, if the project is not undertaken in units. The percentage of
35 the annual gross revenue shall not be more than 15【%】 percent in
36 the case of a low and moderate income housing project, nor less
37 than 10【%】 percent in the case of all other projects.

38 At the option of the municipality, or where because of the nature
39 of the development, ownership, use or occupancy of the project or
40 any unit thereof, if the project is to be undertaken in units, the total
41 annual gross rental or gross shelter rent or annual gross revenue
42 cannot be reasonably ascertained, the governing body shall provide
43 in the financial agreement that the annual service charge shall be a
44 sum equal to a percentage determined pursuant to this subsection
45 and section 11 of P.L.1991, c.431 (C.40A:20-11), of the total
46 project cost or total project unit cost determined pursuant to
47 P.L.1991, c.431 (C.40A:20-1 et seq.) calculated from the first day
48 of the month following the substantial completion of the project or

1 any unit thereof, if the project is undertaken in units. The
2 percentage of the total project cost or total project unit cost shall not
3 be more than **【2%】** two percent in the case of a low and moderate
4 income housing project, and shall not be less than **【2%】** two
5 percent in the case of all other projects.

6 (2) In either case, the financial agreement shall establish a
7 schedule of annual service charges to be paid over the term of the
8 exemption period, which shall be in stages as follows:

9 (a) For the first stage of the exemption period, which shall
10 commence with the date of completion of the unit or of the project,
11 as the case may be, and continue for a time of not less than six years
12 nor more than 15 years, as specified in the financial agreement, the
13 urban renewal entity shall pay the municipality an annual service
14 charge for municipal services supplied to the project in an annual
15 amount equal to the amount determined pursuant to paragraph (1) of
16 this subsection and section 11 of P.L.1991, c.431 (C.40A:20-11).
17 For the remainder of the period of the exemption, if any, the annual
18 service charge shall be determined as follows:

19 (b) For the second stage of the exemption period, which shall
20 not be less than one year nor more than six years, as specified in the
21 financial agreement, an amount equal to either the amount
22 determined pursuant to paragraph (1) of this subsection and section
23 11 of P.L.1991, c.431 (C.40A:20-11), or **20【%】** percent of the
24 amount of taxes otherwise due on the value of the land and
25 improvements, whichever shall be greater;

26 (c) For the third stage of the exemption period, which shall not
27 be less than one year nor more than six years, as specified in the
28 financial agreement, an amount equal to either the amount
29 determined pursuant to paragraph (1) of this subsection and section
30 11 of P.L.1991, c.431 (C.40A:20-11), or **40【%】** percent of the
31 amount of taxes otherwise due on the value of the land and
32 improvements, whichever shall be greater;

33 (d) For the fourth stage of the exemption period, which shall not
34 be less than one year nor more than six years, as specified in the
35 financial agreement, an amount equal to either the amount
36 determined pursuant to paragraph (1) of this subsection and section
37 11 of P.L.1991, c.431 (C.40A:20-11), or **60【%】** percent of the
38 amount of taxes otherwise due on the value of the land and
39 improvements, whichever shall be greater; and

40 (e) For the final stage of the exemption period, the duration of
41 which shall not be less than one year and shall be specified in the
42 financial agreement, an amount equal to either the amount
43 determined pursuant to paragraph (1) of this subsection and section
44 11 of P.L.1991, c.431 (C.40A:20-11), or **80【%】** percent of the
45 amount of taxes otherwise due on the value of the land and
46 improvements, whichever shall be greater.

1 If the financial agreement provides for an exemption period of
2 less than 30 years from the completion of the entire project, less
3 than 35 years from the execution of the financial agreement, or less
4 than 50 years from the execution of the first financial agreement
5 implementing a project under the redevelopment agreement, the
6 financial agreement shall set forth a schedule of annual service
7 charges for the exemption period which shall be based upon the
8 minimum service charges and staged adjustments set forth in this
9 section.

10 The annual service charge shall be paid to the municipality on a
11 quarterly basis in a manner consistent with the municipality's tax
12 collection schedule.

13 Each municipality which enters into a financial agreement on or
14 after the effective date of P.L.2003, c.125 (C.40A:12A-4.1 et al.)
15 shall remit five percent of the annual service charge collected by the
16 municipality directly to the county [in accordance with the
17 provisions of R.S.54:4-74]. On the dates specified pursuant to
18 R.S.54:4-66 concerning the payment of municipal taxes, the
19 municipal tax collector or finance officer in a municipality that
20 receives an annual service charge shall notify the chief financial
21 officer of the county within which the municipality is located that
22 the municipality received an annual service charge and, pursuant to
23 R.S.54:4-74, on the fifteenth day of the month in which each
24 installment of taxes shall become payable, shall directly transmit
25 the five percent remittance to the chief financial officer of the
26 county. If the five percent remittance due to the county is not paid
27 when due; the unpaid balance thereof and interest, at the rate of one
28 percent per month accrued thereon, together with attorneys' fees and
29 court costs, may be recovered by the county from the municipality
30 in an action filed in a court of competent jurisdiction; and the
31 municipal tax collector or finance officer shall be subject to
32 revocation or suspension of their certificate pursuant to section 5 of
33 P.L.1979, c.384 (C.40A:9-145.5) or section 7 of P.L.1988, c.110
34 (C.40A:9-140.12), respectively. If the municipality enters into a
35 contract with a board of education pursuant to section 7 of
36 P.L.2023, c.311 (C.18A:7G-15.1a), the municipality shall also remit
37 to the board of education such amounts as may be required under
38 the contract.

39 Against the annual service charge the urban renewal entity shall
40 be entitled to credit for the amount, without interest, of the real
41 estate taxes on land paid by it in the last four preceding quarterly
42 installments.

43 Notwithstanding the provisions of this section or of the financial
44 agreement, the minimum annual service charge shall be the amount
45 of the total taxes levied against all real property in the area covered
46 by the project in the last full tax year in which the area was subject
47 to taxation, and the minimum annual service charge shall be paid in
48 each year in which the annual service charge calculated pursuant to

1 this section or the financial agreement would be less than the
2 minimum annual service charge.

3 c. All exemptions granted pursuant to the provisions of
4 P.L.1991, c.431 (C.40A:20-1 et seq.) shall terminate at the time
5 prescribed in the financial agreement.

6 Upon the termination of the exemption granted pursuant to the
7 provisions of P.L.1991, c.431 (C.40A:20-1 et seq.), the project, all
8 affected parcels, land and all improvements made thereto shall be
9 assessed and subject to taxation as are other taxable properties in
10 the municipality. After the date of termination, all restrictions and
11 limitations upon the urban renewal entity shall terminate and be at
12 an end upon the entity's rendering its final accounting to and with
13 the municipality.

14 (cf: P.L.2023, c.311, s.26)

15

16 3. This act shall take effect on the first day of the third month
17 next following the date of enactment, and shall apply to each annual
18 service charge received by the tax collector beginning on or after
19 that date.

20

21

22 STATEMENT

23

24 This bill amends certain provisions of the "Long Term Tax
25 Exemption Law," P.L.1991, c.431 (C.40A:20-1 et seq.) concerning
26 payments in lieu of tax received by a municipality when a long-term
27 tax abatement is granted for the rehabilitation or improvements
28 made in the development or redevelopment of a redevelopment area
29 or for a redevelopment relocation housing project pursuant to that
30 law.

31 Under current law, a municipality receiving a payment in lieu of
32 tax, referred to in the law as the "annual service charge," is required
33 to remit to the county in which the municipality is located, five
34 percent of the amount of the annual service charge. This bill
35 amends the law to provide that the municipal tax collector or
36 finance officer in a municipality that receives an annual service
37 charge under the "Long Term Tax Exemption Law" is required to:

- 38 • notify the chief financial officer of the county within which
39 the municipality is located that the municipality received an
40 annual service charge on the dates specified pursuant to
41 R.S.54:4-66, February 1, May 1, August 1, and November 1,
42 concerning the payment of municipal taxes; and
- 43 • directly transmit the five percent remittance to the chief
44 financial officer of the county on the fifteenth day of the
45 month in which each installment of taxes are due.

46 The bill also provides that, if the five percent remittance due to
47 the county is not paid when due: the unpaid balance thereof and
48 interest, at the rate of one percent per month accrued thereon,

1 together with attorneys' fees and court costs, may be recovered by
2 the county from the municipality in an action filed in a court of
3 competent jurisdiction; and that the municipal tax collector or
4 finance officer may be subject to revocation or suspension of their
5 professional certification.

6 The law also requires that every redevelopment project approved
7 by the municipality to be evidenced by a financial agreement
8 between the municipality and the urban renewal entity, and the
9 agreement cannot take effect until approved by ordinance of the
10 municipality. The bill further requires that notice of the time, date,
11 and place of the public hearing required to be held prior to the
12 approval of the ordinance on the financial agreement be provided to
13 the chief financial officer of the county and the clerk to the board of
14 county commissioner of the county within which the municipality is
15 located.

16 The bill also makes technical changes.

[First Reprint]

ASSEMBLY, No. 5613

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED MAY 5, 2025

Sponsored by:

Assemblywoman ELIANA PINTOR MARIN

District 29 (Essex and Hudson)

Assemblywoman CARMEN THERESA MORALES

District 34 (Essex)

SYNOPSIS

Requires municipal tax collectors who obtain payments in lieu of taxes under "Long Term Tax Exemption Law" to transmit county portion directly to county.

CURRENT VERSION OF TEXT

As reported by the Assembly State and Local Government Committee on May 15, 2025, with amendments.



(Sponsorship Updated As Of: 5/15/2025)

1 AN ACT concerning certain payments in lieu of taxes under the "Long
2 Term Tax Exemption Law" and amending P.L.1991, c.431 ¹and
3 R.S.54:4-74¹.
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
7

8 1. Section 9 of P.L.1991, c.431 (C.40A:20-9) is amended to
9 read as follows:

10 9. Every approved project shall be evidenced by a financial
11 agreement between the municipality and the urban renewal entity.
12 The agreement shall be prepared by the entity and submitted as a
13 separate part of its application for project approval. The agreement
14 shall not take effect until approved by ordinance of the
15 municipality. The municipality shall notify the chief financial
16 officer of the county and the clerk to the board of county
17 commissioners of the county within which the municipality is
18 located of the date, time, and place of the public hearing required to
19 be held prior to the passage of the ordinance. Any amendments or
20 modifications of the agreement made thereafter shall be by mutual
21 consent of the municipality and the urban renewal entity, and shall
22 be subject to approval by ordinance of the municipal governing
23 body upon recommendation of the mayor or other chief executive
24 officer of the municipality prior to taking effect.

25 The financial agreement shall be in the form of a contract
26 requiring full performance within 30 years from the date of
27 completion of the project, and shall include the following:

28 a. That the profits of or dividends payable by the urban
29 renewal entity shall be limited according to terms appropriate for
30 the type of entity in conformance with the provisions of P.L.1991,
31 c.431 (C.40A:20-1 et seq.).

32 b. That all improvements and land, to the extent authorized
33 pursuant to section 12 of P.L.1991, c.431 (C.40A:20-12), in the
34 project to be constructed or acquired by the urban renewal entity
35 shall be exempt from taxation as provided in
36 P.L.1991, c.431 (C.40A:20-1 et seq.).

37 c. That the urban renewal entity shall make payments for
38 municipal services as provided in P.L.1991, c.431 (C.40A:20-1 et
39 seq.).

40 d. That the urban renewal entity shall submit annually, within
41 90 days after the close of its fiscal year, its auditor's reports to the
42 mayor and governing body of the municipality.

43 e. That the urban renewal entity shall, upon request, permit
44 inspection of property, equipment, buildings and other facilities of
45 the entity, and also permit examination and audit of its books,

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:

¹Assembly ASL committee amendments adopted May 15, 2025.

1 contracts, records, documents and papers by authorized
2 representatives of the municipality or the State.

3 f. That in the event of any dispute between the parties matters
4 in controversy shall be resolved by arbitration in the manner
5 provided in the financial agreement.

6 g. That operation under the financial agreement shall be
7 terminable by the urban renewal entity in the manner provided by
8 P.L.1991, c.431 (C.40A:20-1 et seq.).

9 h. That the urban renewal entity shall at all times prior to the
10 expiration or other termination of the financial agreement remain
11 bound by the provisions of P.L.1991, c.431 (C.40A:20-1 et seq.).

12 The financial agreement shall contain detailed representations
13 and covenants by the urban renewal entity as to the manner in
14 which it proposes to use, manage or operate the project. The
15 financial agreement shall further set forth the method for computing
16 gross revenue for the urban renewal entity, the method of
17 determining insurance, operating and maintenance expenses paid by
18 a tenant which are ordinarily paid by a landlord, the plans for
19 financing the project, including the estimated total project cost, the
20 amortization rate on the total project cost, the source of funds, the
21 interest rates to be paid on the construction financing, the source
22 and amount of paid-in capital, the terms of mortgage amortization
23 or payment of principal on any mortgage, a good faith projection of
24 initial sales prices of any condominium units and expenses to be
25 incurred in promoting and consummating such sales, and the rental
26 schedules and lease terms to be used in the project. Any financial
27 agreement may allow the municipality to levy an annual
28 administrative fee, not to exceed two percent of the annual service
29 charge.

30 (cf: P.L.2015, c.95, s.28)

31

32 2. Section 12 of P.L.1991, c.431 (C.40A:20-12) is amended to
33 read as follows:

34 12. The rehabilitation or improvements made in the development
35 or redevelopment of a redevelopment area or area appurtenant
36 thereto or for a redevelopment relocation housing project, pursuant
37 to P.L.1991, c.431 (C.40A:20-1 et seq.), shall be exempt from
38 taxation for a limited period as hereinafter provided. When housing
39 is to be constructed, acquired or rehabilitated by an urban renewal
40 entity, the land upon which that housing is situated shall be exempt
41 from taxation for a limited period as hereinafter provided. The
42 exemption shall be allowed when the clerk of the municipality
43 wherein the property is situated shall certify to the municipal tax
44 assessor that a financial agreement with an urban renewal entity for
45 the development or the redevelopment of the property, or the
46 provision of a redevelopment relocation housing project, or the
47 provision of a low and moderate income housing project has been

1 entered into and is in effect as required by P.L.1991, c.431
2 (C.40A:20-1 et seq.).

3 Delivery by the municipal clerk to the municipal tax assessor of
4 a certified copy of the ordinance of the governing body approving
5 the tax exemption and financial agreement with the urban renewal
6 entity shall constitute the required certification. For each
7 exemption granted pursuant to P.L.2003, c.125 (C.40A:12A-4.1 et
8 al.), upon certification as required hereunder, the tax assessor shall
9 implement the exemption and continue to enforce that exemption
10 without further certification by the clerk until the expiration of the
11 entitlement to exemption by the terms of the financial agreement or
12 until the tax assessor has been duly notified by the clerk that the
13 exemption has been terminated.

14 Within 10 calendar days following the later of the effective date
15 of an ordinance following its final adoption by the governing body
16 approving the tax exemption or the execution of the financial
17 agreement by the urban renewal entity, the municipal clerk shall
18 transmit a certified copy of the ordinance and financial agreement
19 to the chief financial officer of the county and to the county counsel
20 for informational purposes.

21 Whenever an exemption status changes during a tax year, the
22 procedure for the apportionment of the taxes for the year shall be
23 the same as in the case of other changes in tax exemption status
24 during the tax year. Tax exemptions granted pursuant to P.L.2003,
25 c.125 (C.40A:12A-4.1 et al.) represent long term financial
26 agreements between the municipality and the urban renewal entity
27 and as such constitute a single continuing exemption from local
28 property taxation for the duration of the financial agreement. The
29 validity of a financial agreement or any exemption granted pursuant
30 thereto may be challenged only by filing an action in lieu of
31 prerogative writ within 20 days from the publication of a notice of
32 the adoption of an ordinance by the governing body granting the
33 exemption and approving the financial agreement. Such notice
34 shall be published in a newspaper of general circulation in the
35 municipality and in a newspaper of general circulation in the county
36 if different from the municipal newspaper.

37 a. The financial agreement shall specify the duration of the
38 exemption for urban renewal entities in accordance with the
39 parameters of either paragraph (1) or paragraph (2) of this
40 subsection:

41 (1) the financial agreement may specify a duration of not more
42 than 30 years from the completion of the entire project, or unit of
43 the project if the project is undertaken in units, or not more than 35
44 years from the execution of the financial agreement between the
45 municipality and the urban renewal entity; or

46 (2) for each project undertaken pursuant to a redevelopment
47 agreement which allows the redeveloper to undertake two or more
48 projects sequentially, the financial agreement may specify a

1 duration of not more than 30 years from the completion of a project,
2 or unit of the project if the project is undertaken in units, or not
3 more than 50 years from the execution of the first financial
4 agreement implementing a project under the redevelopment
5 agreement. As used in this subsection, "redevelopment agreement"
6 means an agreement entered into pursuant to subsection f. of section
7 8 of P.L.1992, c.79 (C.40A:12A-8) between a municipality or
8 redevelopment entity and a redeveloper.

9 A financial agreement may provide for an exemption period of
10 less than 30 years from the completion of the entire project, less
11 than 35 years from the execution of the financial agreement, or less
12 than 50 years from the execution of the first financial agreement
13 implementing a project under the redevelopment agreement.
14 Nothing in this subsection shall be construed as requiring a
15 financial agreement for a project undertaken pursuant to a
16 redevelopment agreement which allows the redeveloper to
17 undertake two or more projects sequentially to specify a duration
18 within the parameters of paragraph (2) of this subsection.

19 b. During the term of any exemption, in lieu of any taxes to be
20 paid on the buildings and improvements of the project and, to the
21 extent authorized pursuant to this section, on the land, the urban
22 renewal entity shall make payment to the municipality of an annual
23 service charge, which shall remit a portion of that revenue to the
24 county as provided hereinafter. In addition, the municipality may
25 assess an administrative fee, not to exceed two percent of the annual
26 service charge, for the processing of the application. The annual
27 service charge for municipal services supplied to the project to be
28 paid by the urban renewal entity for any period of exemption, shall
29 be determined as follows:

30 (1) An annual amount equal to a percentage determined
31 pursuant to this subsection and section 11 of P.L.1991, c.431
32 (C.40A:20-11), of the annual gross revenue from each unit of the
33 project, if the project is undertaken in units, or from the total
34 project, if the project is not undertaken in units. The percentage of
35 the annual gross revenue shall not be more than 15 **[%]** percent in
36 the case of a low and moderate income housing project, nor less
37 than 10 **[%]** percent in the case of all other projects.

38 At the option of the municipality, or where because of the nature
39 of the development, ownership, use or occupancy of the project or
40 any unit thereof, if the project is to be undertaken in units, the total
41 annual gross rental or gross shelter rent or annual gross revenue
42 cannot be reasonably ascertained, the governing body shall provide
43 in the financial agreement that the annual service charge shall be a
44 sum equal to a percentage determined pursuant to this subsection
45 and section 11 of P.L.1991, c.431 (C.40A:20-11), of the total
46 project cost or total project unit cost determined pursuant to
47 P.L.1991, c.431 (C.40A:20-1 et seq.) calculated from the first day
48 of the month following the substantial completion of the project or

1 any unit thereof, if the project is undertaken in units. The
2 percentage of the total project cost or total project unit cost shall not
3 be more than **【2%】** two percent in the case of a low and moderate
4 income housing project, and shall not be less than **【2%】** two
5 percent in the case of all other projects.

6 (2) In either case, the financial agreement shall establish a
7 schedule of annual service charges to be paid over the term of the
8 exemption period, which shall be in stages as follows:

9 (a) For the first stage of the exemption period, which shall
10 commence with the date of completion of the unit or of the project,
11 as the case may be, and continue for a time of not less than six years
12 nor more than 15 years, as specified in the financial agreement, the
13 urban renewal entity shall pay the municipality an annual service
14 charge for municipal services supplied to the project in an annual
15 amount equal to the amount determined pursuant to paragraph (1) of
16 this subsection and section 11 of P.L.1991, c.431 (C.40A:20-11).
17 For the remainder of the period of the exemption, if any, the annual
18 service charge shall be determined as follows:

19 (b) For the second stage of the exemption period, which shall
20 not be less than one year nor more than six years, as specified in the
21 financial agreement, an amount equal to either the amount
22 determined pursuant to paragraph (1) of this subsection and section
23 11 of P.L.1991, c.431 (C.40A:20-11), or 20 **【%】** percent of the
24 amount of taxes otherwise due on the value of the land and
25 improvements, whichever shall be greater;

26 (c) For the third stage of the exemption period, which shall not
27 be less than one year nor more than six years, as specified in the
28 financial agreement, an amount equal to either the amount
29 determined pursuant to paragraph (1) of this subsection and section
30 11 of P.L.1991, c.431 (C.40A:20-11), or 40 **【%】** percent of the
31 amount of taxes otherwise due on the value of the land and
32 improvements, whichever shall be greater;

33 (d) For the fourth stage of the exemption period, which shall not
34 be less than one year nor more than six years, as specified in the
35 financial agreement, an amount equal to either the amount
36 determined pursuant to paragraph (1) of this subsection and section
37 11 of P.L.1991, c.431 (C.40A:20-11), or 60 **【%】** percent of the
38 amount of taxes otherwise due on the value of the land and
39 improvements, whichever shall be greater; and

40 (e) For the final stage of the exemption period, the duration of
41 which shall not be less than one year and shall be specified in the
42 financial agreement, an amount equal to either the amount
43 determined pursuant to paragraph (1) of this subsection and section
44 11 of P.L.1991, c.431 (C.40A:20-11), or 80 **【%】** percent of the
45 amount of taxes otherwise due on the value of the land and
46 improvements, whichever shall be greater.

1 If the financial agreement provides for an exemption period of
2 less than 30 years from the completion of the entire project, less
3 than 35 years from the execution of the financial agreement, or less
4 than 50 years from the execution of the first financial agreement
5 implementing a project under the redevelopment agreement, the
6 financial agreement shall set forth a schedule of annual service
7 charges for the exemption period which shall be based upon the
8 minimum service charges and staged adjustments set forth in this
9 section.

10 The annual service charge shall be paid to the municipality on a
11 quarterly basis in a manner consistent with the municipality's tax
12 collection schedule.

13 Each municipality which enters into a financial agreement on or
14 after the effective date of P.L.2003, c.125 (C.40A:12A-4.1 et al.)
15 shall remit five percent of the annual service charge collected by the
16 municipality '[directly]' to the county ['in accordance with the
17 provisions of R.S.54:4-74]' 'in accordance with the provisions of
18 R.S.54:4-74'. '[On the dates specified pursuant to R.S.54:4-66
19 concerning the payment of municipal taxes, the municipal tax
20 collector or finance officer in a municipality that receives an annual
21 service charge shall notify the chief financial officer of the county
22 within which the municipality is located that the municipality
23 received an annual service charge and, pursuant to R.S.54:4-74, on
24 the fifteenth day of the month in which each installment of taxes
25 shall become payable, shall directly transmit the five percent
26 remittance to the chief financial officer of the county.]' If the five
27 percent remittance due to the county is not paid when due '[:] ,'
28 the unpaid balance thereof and interest, at the rate of one percent
29 per month accrued thereon, together with attorneys' fees and court
30 costs, may be recovered by the county from the municipality in an
31 action filed in a court of competent jurisdiction '[; and the] . A'
32 municipal '[tax collector or]' finance officer '[shall] certificate
33 may' be subject to revocation or suspension '[of their certificate]'
34 pursuant to '[section 5 of P.L.1979, c.384 (C.40A:9-145.5) or]'
35 section 7 of P.L.1988, c.110 (C.40A:9-140.12)' '[, respectively]' for
36 willful or intentional failure, neglect, or refusal to comply with this
37 section'. If the municipality enters into a contract with a board of
38 education pursuant to section 7 of P.L.2023, c.311 (C.18A:7G-
39 15.1a), the municipality shall also remit to the board of education
40 such amounts as may be required under the contract.

41 Against the annual service charge the urban renewal entity shall
42 be entitled to credit for the amount, without interest, of the real
43 estate taxes on land paid by it in the last four preceding quarterly
44 installments.

45 Notwithstanding the provisions of this section or of the financial
46 agreement, the minimum annual service charge shall be the amount
47 of the total taxes levied against all real property in the area covered

1 by the project in the last full tax year in which the area was subject
2 to taxation, and the minimum annual service charge shall be paid in
3 each year in which the annual service charge calculated pursuant to
4 this section or the financial agreement would be less than the
5 minimum annual service charge.

6 c. All exemptions granted pursuant to the provisions of
7 P.L.1991, c.431 (C.40A:20-1 et seq.) shall terminate at the time
8 prescribed in the financial agreement.

9 Upon the termination of the exemption granted pursuant to the
10 provisions of P.L.1991, c.431 (C.40A:20-1 et seq.), the project, all
11 affected parcels, land and all improvements made thereto shall be
12 assessed and subject to taxation as are other taxable properties in
13 the municipality. After the date of termination, all restrictions and
14 limitations upon the urban renewal entity shall terminate and be at
15 an end upon the entity's rendering its final accounting to and with
16 the municipality.

17 (cf: P.L.2023, c.311, s.26)

18
19 ¹³ R.S.54:4-74 is amended to read as follows:

20 54:4-74. For the purpose of this section:

21 "County tax due" or "tax due" means the amount so assessed less
22 the county's proportionate share of the property taxes no longer
23 owed by the municipality pursuant to the blue acres property tax
24 exemption established by subsection b. of section 1 of P.L.2013,
25 c.261 (C.54:4-3.3g) and less any applicable credit established by
26 subsection e. of section 1 of P.L.2013, c.261 (C.54:4-3.3g), but
27 shall include all amounts collected by the county under agreements
28 entered into by municipalities pursuant to the "Long Term Tax
29 Exemption Law," P.L.1991, c.431 (C.40A:20-1 et seq.).

30 The governing body of each municipality shall cause to be paid
31 to the treasurer of the county, in four installments, the amount of
32 county tax due, and the other county taxes required to be assessed
33 and raised in such municipality, on the fifteenth day of the month in
34 which each installment of taxes shall become payable, except, that
35 in those years when the third installment has been determined by
36 the tax collector to be due after August 10, the installment shall be
37 due no later than five days after the twenty-fifth day from when the
38 tax bill was mailed or otherwise delivered pursuant to subsection a.
39 of R.S.54:4-64, but no later than September 15. The amount to be
40 payable as each of the first two installments shall be one-quarter of
41 the total county tax due and one-quarter of the other total county
42 taxes finally levied against the municipality for the preceding year,
43 and the amount to be payable for the third and fourth installments
44 shall be the county tax due, and for the other county taxes the full
45 tax as levied, for the current year, less the amount charged as the
46 first and second installments. The total amount thus found to be
47 payable as the last two installments shall be divided equally for and
48 as each installment. The governing body of each municipality shall

1 cause to be paid to the county treasurer on December fifteenth of
2 each year all of the taxes required to be assessed and raised by
3 taxation in such taxing district for State school and other State
4 purposes.

5 With each installment required to be paid pursuant to this
6 section, the chief municipal finance officer shall provide the
7 following information for each agreement entered into by the
8 municipality, pursuant to the "Long Term Tax Exemption Law,"
9 P.L.1991, c.431 (C.40A:20-1 et seq.), on after the effective date of
10 P.L.2003, c.125 (C.40A:12A-4.1 et seq.):

- 11 a. the project name and address;
- 12 b. the date on which the municipality entered into the
13 agreement;
- 14 c. the expiration date of the agreement;
- 15 d. the amount of the annual service charge to be paid to the
16 municipality;
- 17 e. the annual amount due to the county;
- 18 f. the portion of the quarterly service charge installment due to
19 the county;
- 20 g. the quarterly installment amount collected by the
21 municipality; and
- 22 h. the amount attributable to the agreement that is included in
23 the installment of county tax due.¹

24 (cf: P.L.2015, c.247, s.2)

25
26 ¹**[3.] 4.**¹ This act shall take effect on the first day of the third
27 month next following the date of enactment, and ¹for a financial
28 agreement subject to the provisions of "Long Term Tax Exemption
29 Law," P.L.1991, c.431 (C.40A:20-1 et seq.) that was entered into
30 on or after the effective date of P.L.2003, c.125 (C.40A:12A-4.1 et
31 seq.).¹ shall apply to each annual service charge received ¹**[by the**
32 **tax collector]**¹ beginning on or after ¹**[that]** the first day of the
33 third month next following the¹ date¹ of enactment¹.

ASSEMBLY STATE AND LOCAL GOVERNMENT
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 5613

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 15, 2025

The Assembly State and Local Government Committee reports favorably and with committee amendments Assembly Bill No. 5613.

As amended, this bill amends certain provisions of the "Long Term Tax Exemption Law," P.L.1991, c.431 (C.40A:20-1 et seq.) concerning payments in lieu of tax received by a municipality when a long-term tax abatement is granted for the rehabilitation or improvements made in the development or redevelopment of a redevelopment area or for a redevelopment relocation housing project pursuant to that law.

Under current law, a municipality receiving a payment in lieu of tax, referred to in the law as the "annual service charge," is required to remit to the county in which the municipality is located, five percent of the amount of the annual service charge.

The bill amends the law to provide that, if the five percent remittance due to the county is not paid when due, the unpaid balance thereof and interest, at the rate of one percent per month accrued thereon, together with attorneys' fees and court costs, may be recovered by the county from the municipality in an action filed in a court of competent jurisdiction; and that the municipal finance officer may be subject to revocation or suspension for willful or intentional failure, neglect, or refusal to comply.

The law also requires that every redevelopment project approved by the municipality to be evidenced by a financial agreement between the municipality and the urban renewal entity, and the agreement cannot take effect until approved by ordinance of the municipality. The bill further requires that notice of the time, date, and place of the public hearing required to be held prior to the approval of the ordinance on the financial agreement be provided to the chief financial officer of the county and the clerk to the board of county commissioner of the county within which the municipality is located.

The bill also amends existing law to provide that, with each installment required to be paid, the chief municipal finance officer

is required to provide certain information, as specified in the bill, for each agreement entered into by the municipality.

The bill also makes technical changes.

As amended and reported by the committee, Assembly Bill No. 5613 is identical to Senate Bill No. 3787 (3R), which was also amended and reported by the committee on this date.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

- remove language requiring the municipal tax collector or financial officer, upon receipt of the annual service charge, to immediately notify the municipality and the chief financial officer of the county within which the municipality is located;
- remove language providing that, on the dates specified pursuant to law concerning the payment of municipal taxes, the municipal tax collector or finance officer in a municipality that receives an annual service charge is required to notify the chief financial officer of the county within which the municipality is located that the municipality received an annual service charge and, on the fifteenth day of the month in which each installment of taxes shall become payable, to directly transmit the five percent remittance to the chief financial officer of the county;
- provide that a municipal finance officer certificate may be subject to revocation or suspension for willful or intentional failure, neglect, or refusal to comply;
- remove language that specified that a municipal tax collector would be subject to certificate revocation;
- require that, with each required payment installment, the chief municipal finance officer is to provide the following information for each agreement entered into by the municipality: the project name and address; the date on which the municipality entered into the agreement; the expiration date of the agreement; the amount of the annual service charge to be paid to the municipality; the annual amount due to the county; the portion of the quarterly service charge installment due to the county; the quarterly installment amount collected by the municipality; and the amount attributable to the agreement that is included in the installment of county tax due; and
- provide that the bill is to take effect the first day of the third month next following the date of enactment, and, for a financial agreement subject to the provisions of "Long Term Tax Exemption Law" that was entered into on or after the effective date of P.L.2003, c.125, apply to each annual service charge received beginning on or after the first day of the third month next following the date of enactment.

Governor Murphy Takes Action on Legislation

Posted on - 07/8/2025

TRENTON – Today, Governor Murphy signed the following bills into law:

S-1400/A-5448 (Singleton, Zwicker/Park, Freiman) - “Uniform Partition of Heirs Property Act”; provides alternative process for handling partition actions filed in court concerning real property with multiple owners, at least one of whom had acquired title from relative

S-1439/A-3856 (Singleton, A.M. Bucco/Sampson, McClellan, Miller) - Requires health benefits coverage for additional orthotic and prosthetic appliances under certain circumstances; requires coverage for orthotic and prosthetic appliances obtained through podiatrists

S-2886/A-4015 (Greenstein, Turner/McCoy) - Requires pharmacies to provide certain information regarding insulin manufacturer assistance programs

S-3787/A-5613 (Scutari, Ruiz/Pintor Marin, Morales) - Requires municipal tax collectors who obtain payments in lieu of taxes under “Long Term Tax Exemption Law” to transmit county portion directly to county

S-3850/A-5356 (Smith, Scutari/Karabinchak, Reynolds-Jackson) - Permits county boards of elections to extend distance within which electioneering is prohibited

S-3928/A-5322 (Ruiz, Scutari/Greenwald, Sampson) - Limits general application of certain consumer contracts

S-3961/A-5263 (Ruiz, Scutari/Haider, Morales, Karabinchak) - Requires public and certain nonpublic schools to offer no-fee option to parents for making school lunch and other payments; requires payment processing platforms used by certain schools to provide users with information on user fees

S-4162/A-5469 (Turner, Ruiz/Reynolds-Jackson, Carter, Morales) - Limits use or disclosure of certain education records

A-4113/S-2155 (Carter, Atkins/Cryan, McKeon) - Prohibits sports wagering partnerships at public institutions of higher education

A-5141/S-3813 (Peterpaul, Calabrese, Donlon/Gopal, O’Scanlon) - Establishes historic distillery license; allows consumption of licensee’s products on and off licensed premises under certain circumstances

A-5466/S-4318 (Bailey, Freiman, Reynolds-Jackson/Burzichelli, Greenstein) - Requires BPU to study effects of data centers on electricity costs

A-5736/S-4532 (Bailey, Simmons, Miller/Burzichelli, McKnight) - Updates certain notification requirements in "Energy Bill Watch" program