

40: SSC - 46.1

LEGISLATIVE HISTORY CHECKLIST

NJSA: 40:55C-46.1 et al

(Condominium construction--tax abatements in distressed urban areas)

LAWS OF: 1985

CHAPTER: 138

Bill No: A3074

Sponsor(s): Brown and Thompson

Date Introduced: January 8, 1985

Committee: Assembly: Revenue, Finance and Appropriations

Senate: -----

Amended during passage: No

Date of Passage: Assembly: February 25, 1985

Senate: February 25, 1985

Date of Approval: April 12, 1985

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: Assembly Yes

Senate No

Fiscal Note: No

Veto Message: No

Message on Signing: No

Following were printed:

Reports: No

Hearings: No

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A 3074  
L 1965 C. 132

STATEMENT

This bill permits municipalities to extend the term of certain tax exemptions which were originally granted under the provisions of the "Urban Renewal Corporation and Association Law of 1961," P. L. 1961, c. 40 (C. 40:55C-40 et seq.) and under the provisions of the "Urban Renewal Nonprofit Corporation Law of 1964," P. L. 1965, c. 95 (C. 40:55C-77 et seq.).

Under the provisions of the bill, urban renewal entities seeking an extension of an existing tax exemption must apply in writing to the municipality. If the application is approved by the municipality, the existing tax exemption may be extended for a term of 15 years. The bill also requires that any extension granted by a municipality must be evidenced by a new financial agreement between the municipality and the urban renewal entity. Among the provisions which must be included as part of that new financial agreement are requirements that the urban renewal entity must make additional capital improvements to the project accorded the extended tax exemption period and that the urban renewal entity must pay higher annual service charges to the municipality.

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TAXATION—PROPERTY

Permits municipalities to grant 15 year extensions of certain existing property tax exemptions.

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SENATE COUNTY AND MUNICIPAL GOVERNMENT  
COMMITTEE

STATEMENT TO  
**ASSEMBLY, No. 1898**

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with Senate committee amendments

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**STATE OF NEW JERSEY**

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DATED: MAY 19, 1986

The Senate County and Municipal Government Committee reports favorably and with committee amendments Assembly Bill No. 1898 OCR.

Assembly Bill No. 1898 OCR Sca amends and supplements the "Urban Renewal Corporation and Association Law of 1961," P. L. 1961, c. 40 (C. 40:55C-40 et seq.), popularly known as the Fox-Lance Act, and the "Urban Renewal Nonprofit Corporation Law of 1964," P. L. 1965, c. 95 (C. 40:55C-77 et seq.) to allow municipalities to extend the terms of certain tax exemptions granted to urban renewal entities.

The duration of the extension permitted by this bill is 15 years from the date of the termination of the financial agreement in existence on the effective date of this bill, except for financial agreements terminating in 1986. If the financial agreement terminates in 1986, the extension shall be for 15 years beginning on the day following the municipality's approval of the extension.

As a condition of the extension, a new financial agreement shall be made between the municipality and the urban renewal entity. The bill provides that the new financial agreement shall provide for an increase of the current 15% service charge payable to the municipality to 16% of the project's annual gross revenue for the first five years, 17% for the next five years and 18% for the final five years of the extension. However, if the service charge is calculated on a percentage of the total project costs, it shall be increased from the current 2% of the total project cost to 4% for the first five years, 5% for the next five years and 6% for the final five years.

In addition, the annual service charge shall be increased after the first year of the extension by the percentage that the total tax levy increases over the preceding year's total tax levy.

The bill also requires the urban renewal entity to make capital improvements of not less than 5% of the total project cost during each five year segment of the extension.

At the conclusion of the 15 year period of extension permitted by this bill, no further extensions shall be permitted.

The committee amendments corrected legal cites within the bill in order to make the bill identical to Senate Bill No. 1867 Sca.

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