

54:4-3.124 to 54:4-3.129

LEGISLATIVE HISTORY CHECKLIST

(Property tax abatement--  
blighted areas--allow ex-  
emption to continue when  
title is transferred)

NJSA 54:4-3.124 to 54:4-3.129

LAWS 1981

CHAPTER 378

Bill No. A-3539

Sponsor(s) Schwartz and others

Date Introduced June 22, 1981

Committee: Assembly \_\_\_\_\_

Senate Revenue, Finance & Appropriations

Amended during passage ~~XXX~~ No

Date of Passage: Assembly June 29, 1981

Senate Dec 3, 1981

Date of approval Dec 31, 1981

Following statements are attached if available:

Sponsor statement	Yes	<del>XX</del>
Committee Statement: Assembly	<del>XXX</del>	No
Senate	Yes	<del>XX</del>
Fiscal Note	<del>Yes</del>	<del>XX</del>
Veto Message	<del>XXX</del>	No
Message on signing	Yes	<del>XX</del>

Following were printed:

Reports	<del>XXX</del>	No
Hearings	<del>XXX</del>	No

6/22/81

ASSEMBLY, No. 3539

STATE OF NEW JERSEY

INTRODUCED JUNE 22, 1981

By Assemblymen SCHWARTZ, PATERO, PATERNETI, KAVANAUGH, BORNHEIMER, DORIA, T. GALLO, Assemblywoman KALIK, Assemblymen DEVERIN, RAND, LESNIAK, JANISZEWSKI, OTLOWSKI, Assemblywoman McCONNELL, Assemblymen GIRGENTI, PELLECCIA, BATE, DALTON, RILEY, MATTHEWS, KARCHER, SMITH and JACKMAN

(Without Reference)

AN ACT concerning exemptions or abatements from taxation in certain cases, and amending P. L. 1979, c. 233.

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

1 1. Section 4 of P. L. 1979, c. 233 (C. 54:4-3.124) is amended to  
2 read as follows:

3 4. a. Any municipality making a determination as set forth in  
4 section 3 of this act may enact an ordinance providing for exemp-  
5 tions from taxation of improvements to multiple dwellings or for  
6 other buildings or structures converted to multiple dwelling use,  
7 or both. In granting such exemptions, the municipality may, in  
8 determining the value of real property for the purposes of taxation,  
9 regard up to the assessor's full and true value of such improve-  
10 ments or conversion alterations as not increasing the value of such  
11 property for a period of 5 years, notwithstanding that the value  
12 of the property to which such improvements or conversion altera-  
13 tions are made is increased thereby; provided, however, that during  
14 said period, the assessment on such property shall in no case,  
15 except that of an abatement as provided in subsection b. of this  
16 section, or damage through action of the elements sufficient to  
17 warrant a reduction, be less than the assessments thereon existing  
18 immediately prior to such improvements or conversion alterations.

19 b. Any such ordinance granting such exemptions may also pro-  
20 vide for the abatement of some portion of the assessed value of  
21 property receiving such an exemption as it existed immediately

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

22 prior to the improvement or conversion alteration. Any such abate-  
 23 ment for any single such property may be granted with respect to  
 24 any such property for a total of up to 5 years, but the total amount  
 25 of abatements granted to any single such property shall not exceed  
 26 the total cost of the improvement or conversion alteration. The  
 27 amount of abatement to be granted in each year of the abatement  
 28 period shall be specified in the adopting ordinance and shall not  
 29 exceed the following:

30 (1) For the first year for which an abatement is granted, up to  
 31 30% of the cost of the improvement or conversion alteration;

32 (2) For the second year for which an abatement is granted, up to  
 33 25% of the cost of the improvement or conversion alteration;

34 (3) For the third year for which an abatement is granted, up to  
 35 20% of the cost of the improvement or conversion alteration;

36 (4) For the fourth year for which an abatement is granted, up to  
 37 15% of the cost of the improvement or conversion alteration; and,

38 (5) For the fifth year for which an abatement is granted, up to  
 39 10% of the cost of the improvement or conversion alteration.

40 [Any exemption or abatement granted pursuant to an ordinance  
 41 adopted in conformity with the provisions of this act shall terminate  
 42 immediately upon the transfer of title of the property with respect  
 43 to which such exemption or abatement was provided.]

1 2. Section 9 of P. L. 1979, c. 233 (C. 54:4-3.129) is amended to  
 2 read as follows:

3 9. No exemption or abatement shall be granted pursuant to this  
 4 act except upon written application therefor filed with and ap-  
 5 proved by the assessor of the taxing district wherein such improve-  
 6 ment or conversion alteration is made. Every such application  
 7 shall be on a form prescribed by the Director of the Division of  
 8 Taxation in the Department of the Treasury, and provided for the  
 9 use of claimants by the governing body of the municipality con-  
 10 stituting the taxing district, and shall be filed with the assessor  
 11 within 30 days, including Saturdays and Sundays, following the  
 12 completion of the improvement or conversion alteration. Every  
 13 such application for exemption, or exemption and abatement, within  
 14 a municipality adopting the provisions of this act which is filed  
 15 within the time specified, shall be approved and allowed by the  
 16 assessor to the degree that such application is consistent with the  
 17 provisions of such adopting ordinance, provided that the improve-  
 18 ment or conversion alteration for which such application is made  
 19 qualifies as an improvement or a conversion alteration pursuant  
 20 to the provisions of this act. The granting of any such exemption,  
 21 or exemption and abatement, shall be recorded and made a perma-

22 ment part of the official tax records of the taxing district, which  
23 record shall contain a notice of the termination date of the ex-  
24 emption [and the consequences of transfer of title].

1 3. This act shall take effect immediately.

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STATEMENT

This bill would further stimulate improvements to multiple dwellings under P. L. 1979, c. 233, by removing the restriction under that law that property tax exemptions and abatements for the improvements shall terminate upon transfer of title. Lending institutions are, understandably, reluctant to make improvement loans on the basis of a tax exemption provision if the exemption ceases upon transfer of title. This bill would remove that restriction, as a similar restriction was removed from the homeowner's improvement exemption law (P. L. 1975, c. 104; C. 54:4-3.72 et seq.), for much the same reason.

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S 3359 (1981)

SENATE REVENUE, FINANCE AND APPROPRIATIONS  
COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 3539**

**STATE OF NEW JERSEY**

DATED: NOVEMBER 13, 1981

Assembly Bill No. 3539 eliminates the provision from current law that requires the immediate termination of any real property tax exemptions or abatement granted pursuant to P. L. 1979, c. 233 to the owners of multiple dwellings upon the transfer of title to a new owner.

LEGISLATIVE FISCAL ESTIMATE TO  
**ASSEMBLY, No. 3539**

**STATE OF NEW JERSEY**

DATED: OCTOBER 15, 1981

Assembly Bill No. 3539 of 1981 provides that a property tax exemption or abatement for improvements to a multiple dwelling shall not terminate upon transfer of title.

“This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.”

The Office of Legislative Services states that this legislation does not suggest any loss of actual property tax revenue. The underlying law merely phases in higher assessments. Present law does not allow the abatement to be transferred. The bill would allow the abatement to be transferred. The long term effect is a benefit to the municipalities involved of unknown value.

The bill would provide an incentive to developers to rehabilitate structures for resale to new long-term owners.

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In compliance with written request received, there is hereby submitted a fiscal estimate for the above bill, pursuant to P. L. 1980, c. 67.

FROM THE OFFICE OF THE GOVERNOR

FOR IMMEDIATE RELEASE

FOR FURTHER INFORMATION

DECEMBER 31, 1981

BOB DOWD

Governor Brendan Byrne today signed the following bills into law:

A-1527, sponsored by Assemblyman Dean Gallo (D-Morris), increases the maximum salary of an Undersheriff from 75 percent to 90 percent of the Sheriff's salary. This salary increase is not mandatory but allows county freeholders the option to attract more qualified personnel.

A-3539, sponsored by Assemblyman David Schwartz (D-Middlesex), allows the continuation of certain municipally-granted tax abatements and exemptions for improvements to multiple dwellings and conversions of industrial and commercial properties to apartment units. Currently, the exemptions or abatements may last for up to five years or until the property is sold. A-3539 would allow the tax incentives to be transferred with the property title for the full five years.

S-3172, sponsored by Senator Steven Perskie (D-Atlantic), is entitled the "Uniform Non-Partisan Elections Law" and, in effect, provides uniform regulations for non-partisan municipal elections regardless of whether the municipal government is operated as a commission form, a municipal manager form, a village or under the Falkner Act (Optional Municipal Charter Law). Some of the new regulations include the requirement that candidate's petitions have signatures equal to one percent of the registered voters; that the filing deadline is 47 days before the election; the commencement of the term be July 1st and that voters may approve a runoff election.

A-2122, sponsored by Assemblyman James Bornheimer (D-Middlesex), removes a number of restrictions on the establishment of branch offices by savings and loan institutions. The legislation puts New Jersey statutes more into conformity with the federal "Depository Institutions Deregulation and Monetary Control Act" by liberalizing the regulations on the use of automated cash dispensing machines and deleting state-level administrative procedures. It also repeals sections of New Jersey law contrary to the new federal deregulation act.