

40:55C-52.1

LEGISLATIVE HISTORY CHECKLIST

(Housing projects--permits transfer from Urban Renewal Corp to non-profit housing corp-continue tax exempt status)

NJSA 40:55C-52.1

LAWS 1981

CHAPTER 506

Bill No. S3373

Sponsor(s) Lipman & Caufield

Date Introduced Nov. 12, 1981

Committee: Assembly Municipal Government

Senate County & Municipal Gov't

Amended during passage

No Substituted for A3806 (not attached since identical to S3373)

Date of Passage: Assembly Jan. 11, 1982

Senate Nov. 23, 1981

Date of approval Jan. 12, 1982

Following statements are attached if available:

Sponsor statement Yes

Committee Statement: Assembly No

Senate Yes

Fiscal Note No

Veto Message No

Message on signing No

Following were printed:

Reports No

Hearings No

6/22/81

SENATE, No. 3373

STATE OF NEW JERSEY

INTRODUCED NOVEMBER 12, 1981

By Senators LIPMAN and CAUFIELD

Referred to Committee on County and Municipal Government

A SUPPLEMENT to the "Urban Renewal Corporation and Association Law of 1961," approved June 2, 1961 (P. L. 1961, c. 40; C. 40:55C-40 et seq.), as said short title was amended by P. L. 1967, c. 114.

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

1 1. Any urban renewal corporation or association which owns,
2 manages and controls a housing project, other than condominium
3 housing, pursuant to the "Urban Renewal Corporation and Asso-
4 ciation Law of 1961," P. L. 1961, c. 40 (C. 40:55C-40 et seq.) may
5 at any time transfer title to the property and improvements in-
6 cluded in that project to a housing corporation or housing associa-
7 tion established and operating under the "Limited-Dividend Non-
8 profit Housing Corporations or Associations Law," P. L. 1949,
9 c. 184 (C. 55:16-1 et seq.). The transfer agreement shall provide
10 for the assumption by the housing corporation or housing asso-
11 ciation of any outstanding debts or obligations incurred by the
12 urban renewal corporation or association with respect to the
13 housing project, including the payment of principal and interest
14 on any bonds or other obligations outstanding with respect thereto.
15 If, prior to the transfer, the housing project was exempt from
16 taxation pursuant to a financial agreement entered into between
17 the urban renewal corporation or association and the municipality
18 under section 26 of P. L. 1961, c. 40 (C. 40:55C-65), the transfer
19 agreement may provide for the continuation of the tax exemption
20 pursuant to section 18 of P. L. 1949, c. 184 (C. 55:16-18), upon
21 terms and conditions mutually agreeable to the housing corporation
22 or housing association and the municipality. The period of con-
23 tinued tax exemption shall not exceed a time equal to 50 years
24 less the period during which the project was exempt pursuant to
25 the financial agreement entered into between the urban renewal
26 corporation or association and the municipality. During the period

27 of continued tax exemption the housing corporation or housing
28 association shall pay with respect to the housing project an annual
29 service charge to the municipality pursuant to section 18 of P. L.
30 1949, c. 184 (C. 55:16-18) which shall not be less than the amount
31 of the annual service charge with respect to the project which was
32 required to be paid to the municipality pursuant to the financial
33 agreement entered into between the urban renewal corporation
34 or association and the municipality under section 26 of P. L. 1961,
35 c. 40 (C. 40:55C-65).

1 2. This act shall take effect immediately.

STATEMENT

This bill would permit the transfer of a housing project from an urban renewal corporation or association to a limited-dividend nonprofit housing corporation or association in order to continue its tax exempt status. The urban renewal laws (Fox-Lance) provide for a maximum tax exempt period of 15 years. The limited-dividend nonprofit housing laws provide for a 50 year exemption period. The bill would permit a transfer agreement which would provide for a continuation of the tax exemption for a period of 50 years, less the period of prior exemption under the urban renewal law. The bill provides for the assumption by the housing corporation or association of debts and obligations relating to the housing project, and for a mutual agreement between the housing corporation or association and the municipality with respect to the annual service charge to be paid on the project in lieu of property taxes.

SENATE COUNTY AND MUNICIPAL
GOVERNMENT COMMITTEE

STATEMENT TO

SENATE, No. 3373

STATE OF NEW JERSEY

DATED: NOVEMBER 16, 1981

Senate Bill No. 3373 would permit the transfer of a housing project from an urban renewal corporation or association to a limited-dividend nonprofit housing corporation or association in order to continue its tax exempt status. The urban renewal laws (Fox-Lance) provide for a maximum tax exempt period of 15 years. The limited-dividend nonprofit housing laws provide for a 50 year exemption period. The bill would permit a transfer agreement which would provide for a continuation of the tax exemption for a period of 50 years, less the period of prior exemption under the urban renewal law. The bill provides for the assumption by the housing corporation or association of debts and obligations relating to the housing project, and for a mutual agreement between the housing corporation or association and the municipality with respect to the annual service charge to be paid on the project in lieu of property taxes.