

40A:20-13

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 1999 **CHAPTER:** 220
NJSA: 40A:20-13 (Tax exemption)
BILL NO: S995 (Substituted for A2338)
SPONSOR(S): Lipman and Rice
DATE INTRODUCED: April 27, 1998
COMMITTEE: **ASSEMBLY:** Local Government and Housing
SENATE: Community and Urban Affairs
AMENDED DURING PASSAGE: No

DATE OF PASSAGE: **ASSEMBLY:** June 10, 1999
SENATE: June 29, 1998

DATE OF APPROVAL: September 22, 1999

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL: Original

(Amendments during passage denoted by superscript numbers)

S995

SPONSORS STATEMENT: (Begins on page 2 of original bill) Yes
COMMITTEE STATEMENT: **ASSEMBLY:** Yes
SENATE: Yes
Identical to Assembly Statements for S995 & A2338
FLOOR AMENDMENT STATEMENTS: No
LEGISLATIVE FISCAL ESTIMATE: No

A2338

SPONSORS STATEMENT: (Begins on page 2 of original bill) Yes
Bill and Sponsors Statement identical to S995
COMMITTEE STATEMENT: **ASSEMBLY:** Yes
Identical to Senate & Assembly Statements for S995
SENATE: No
FLOOR AMENDMENT STATEMENTS: No
LEGISLATIVE FISCAL ESTIMATE: No

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

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REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: No

P.L. 1999, CHAPTER 220, *approved September 22, 1999*

Senate, No. 995

1 **AN ACT** concerning the duration of certain tax exemptions and
2 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 13 of P.L.1991, c.431 (C.40A:20-13) is amended to
8 read as follows:

9 13. The tax exemption provided in this act shall apply only so long
10 as the urban renewal entity and its project remain subject to the
11 provisions of this act, but in no event more than 35 years from the date
12 of the execution of the financial agreement. A tax exemption
13 authorized in connection with a non-profit limited dividend
14 cooperative housing project under a financial agreement entered into
15 pursuant to the "Limited-Dividend Nonprofit Housing Corporations or
16 Associations Law," P.L.1949, c.184 (C.55:16-1 et seq.) may be
17 extended to coincide with existing first mortgage financing. The terms
18 of any such extension shall be set forth in an amended financial
19 agreement between the urban renewal entity and the municipality. An
20 urban renewal entity may at any time after the expiration of one year
21 from the completion date of the project, notify the governing body of
22 the municipality that, as of a certain date designated in the notice, it
23 relinquishes its status under this act, and if the project includes
24 housing units, that the urban renewal entity has obtained the consent
25 of the Commissioner of Community Affairs to such a relinquishment.
26 As of that date, the tax exemption, the service charges, and the profit
27 and dividend restrictions shall terminate. The date of termination of
28 tax exemption, whether by relinquishment by the entity or by terms of
29 the financial agreement, shall be deemed the close of the fiscal year of
30 the entity. Within 90 days of that date, the urban renewal entity shall
31 pay to the municipality the amount of reserve, if any maintained
32 pursuant to section 15 or 16 of this act, as well as the excess net
33 profits, if any, payable as of that date.

34 (cf: P.L.1991, c.431, s.13)

35

36 2. This act shall take effect immediately.

37

38

STATEMENT

39

40 This bill would allow for the extension of the term of any tax
41 exemption granted to a non-profit limited dividend housing

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

Matter underlined thus is new matter.

1 cooperative project under a financial agreement entered into pursuant
2 to the "Limited-Dividend Nonprofit Housing Corporations or
3 Associations Law," P.L.1949, c.184 (C.55:16-1 et seq.) in order to
4 coincide with first mortgage financing. The terms and duration of any
5 such extension shall be set forth in an agreement between the urban
6 renewal entity and the municipality.

7 Under P.L.1991, c.431, which consolidated a series of statutes
8 allowing for long-term tax exemptions and abatements, the duration
9 of the long-term tax exemption was limited to 35 years.

10 This bill would allow for the extension of an exemption beyond 35
11 years, upon the agreement of the municipality and the urban renewal
12 entity, under limited circumstances.

13

14

15

16

17 _____
18 Allows for extension of 35 year tax exemption under certain
circumstances.

SENATE, No. 995

STATE OF NEW JERSEY 208th LEGISLATURE

INTRODUCED APRIL 27, 1998

Sponsored by:

Senator WYNONA M. LIPMAN

District 29 (Essex and Union)

Senator RONALD L. RICE

District 28 (Essex)

Co-Sponsored by:

**Assemblymen Payne, Lance, Stanley, Tucker and Assemblywoman Watson
Coleman**

SYNOPSIS

Allows for extension of 35 year tax exemption under certain circumstances.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/11/1999)

1 AN ACT concerning the duration of certain tax exemptions and
2 amending P.L.1991, c.431.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

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7 1. Section 13 of P.L.1991, c.431 (C.40A:20-13) is amended to
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14 cooperative housing project under a financial agreement entered into
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16 Associations Law," P.L.1949, c.184 (C.55:16-1 et seq.) may be
17 extended to coincide with existing first mortgage financing. The terms
18 of any such extension shall be set forth in an amended financial
19 agreement between the urban renewal entity and the municipality. An
20 urban renewal entity may at any time after the expiration of one year
21 from the completion date of the project, notify the governing body of
22 the municipality that, as of a certain date designated in the notice, it
23 relinquishes its status under this act, and if the project includes
24 housing units, that the urban renewal entity has obtained the consent
25 of the Commissioner of Community Affairs to such a relinquishment.
26 As of that date, the tax exemption, the service charges, and the profit
27 and dividend restrictions shall terminate. The date of termination of
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29 the financial agreement, shall be deemed the close of the fiscal year of
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34 (cf: P.L.1991, c.431, s.13)

35

36 2. This act shall take effect immediately.

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STATEMENT

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41 This bill would allow for the extension of the term of any tax
42 exemption granted to a non-profit limited dividend housing
43 cooperative project under a financial agreement entered into pursuant

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

Matter underlined thus is new matter.

1 to the "Limited-Dividend Nonprofit Housing Corporations or
2 Associations Law," P.L.1949, c.184 (C.55:16-1 et seq.) in order to
3 coincide with first mortgage financing. The terms and duration of any
4 such extension shall be set forth in an agreement between the urban
5 renewal entity and the municipality.

6 Under P.L.1991, c.431, which consolidated a series of statutes
7 allowing for long-term tax exemptions and abatements, the duration
8 of the long-term tax exemption was limited to 35 years.

9 This bill would allow for the extension of an exemption beyond 35
10 years, upon the agreement of the municipality and the urban renewal
11 entity, under limited circumstances.

ASSEMBLY LOCAL GOVERNMENT AND HOUSING
COMMITTEE

STATEMENT TO

SENATE, No. 995

STATE OF NEW JERSEY

DATED: MAY 17, 1999

The Assembly Local Government and Housing Committee reports favorably Senate Bill No. 995. This bill would allow for the extension of the term of any tax exemption granted to a non-profit limited dividend housing cooperative project under a financial agreement entered into pursuant to the "Limited-Dividend Nonprofit Housing Corporations or Associations Law," P.L.1949, c.184 (C.55:16-1 et seq.) in order to coincide with first mortgage financing. The terms and duration of any such extension shall be set forth in an agreement between the urban renewal entity and the municipality.

Under P.L.1991, c.431, which consolidated a series of statutes allowing for long-term tax exemptions and abatements, the duration of the long-term tax exemption was limited to 35 years.

This bill would allow for the extension of an exemption beyond 35 years, upon the agreement of the municipality and the urban renewal entity, under limited circumstances.

This bill is identical to Assembly Bill No. 2338, which also was reported by this committee on May 17, 1999.

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 995

STATE OF NEW JERSEY

DATED: JUNE 4, 1998

The Senate Community and Urban Affairs Committee reports favorably Senate Bill No. 995.

Senate Bill 995 would allow for the extension of the term of any tax exemption granted to a non-profit limited dividend housing cooperative project under a financial agreement entered into pursuant to the "Limited-Dividend Nonprofit Housing Corporations or Associations Law," P.L.1949, c.184 (C.55:16-1 et seq.) in order to coincide with first mortgage financing. The terms and duration of any such extension shall be set forth in an agreement between the urban renewal entity and the municipality.

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ASSEMBLY LOCAL GOVERNMENT AND HOUSING
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2338

STATE OF NEW JERSEY

DATED: MAY 17, 1999

The Assembly Local Government and Housing Committee reports favorably Assembly Bill No. 2338.

This bill would allow for the extension of the term of any tax exemption granted to a non-profit limited dividend housing cooperative project under a financial agreement entered into pursuant to the "Limited-Dividend Nonprofit Housing Corporations or Associations Law," P.L.1949, c.184 (C.55:16-1 et seq.) in order to coincide with first mortgage financing. The terms and duration of any such extension shall be set forth in an agreement between the urban renewal entity and the municipality.

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This bill would allow for the extension of an exemption beyond 35 years, upon the agreement of the municipality and the urban renewal entity, under limited circumstances.

This bill is identical to Senate Bill No. 995, which also was reported by this committee on May 17, 1999.

ASSEMBLY, No. 2338

STATE OF NEW JERSEY 208th LEGISLATURE

INTRODUCED JULY 30, 1998

Sponsored by:

**Assemblyman WILLIAM D. PAYNE
District 29 (Essex and Union)**

Co-Sponsored by:

**Assemblymen Lance, Stanley, Tucker and Assemblywoman Watson
Coleman**

SYNOPSIS

Allows for extension of 35 year tax exemption under certain circumstances.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 7/31/1998)

A2338 PAYNE

2

1 AN ACT concerning the duration of certain tax exemptions and
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Office of the Governor
NEWS RELEASE

PO BOX 004
TRENTON, NJ 08625

CONTACT: Gene Herman
609-777-2600

RELEASE: September 22, 1999

Gov. Christie Whitman today signed the following pieces of legislation:

S-1789, the New Jersey Homeless Youth Act, sponsored by Senators William L. Gormley (R-Atlantic) and Joseph F. Vitale (D-Middlesex) and Assembly Members Kenneth C. LeFevre (R-Atlantic) and Francis J. Blee (R-Atlantic), appropriates \$1 million to the Department of Human Services (DHS) to establish and support a comprehensive program for homeless youth. The Commissioner of the DHS will develop rules and regulations for the licensing of street outreach, basic center shelters and transitional living home programs.

Street outreach will enhance the homeless youth's accessibility to resources by locating, contacting and providing services to the youth through community-based, mobile outreach. Services may include assistance in finding shelter, food, clothing, medical care and counseling.

The basic center shelter program will provide a homeless youth with 24-hour, seven-day-a-week access to a stable out-of-home placement. Services may include family reunification, counseling, food, clothing, medical care, educational services and recreation. The shelter will help reunite the family unless it is not in the youth's best interest.

The transitional living home program will provide residential care and treatment services for up to 18 months to homeless youths between the ages of 16 and 21 who demonstrate the maturity to function with minimal adult supervision. The goal is to prepare the youth for independence and self-sufficiency. The legislation also eliminates the requirement in current law that prohibits homeless youths from obtaining emergency shelter without first obtaining either a court order or a guardian's permission.

S-160, sponsored by Senators Joseph M. Kyrillos, Jr. (R- Middlesex/Monmouth) and Joseph A. Palaia (R-Monmouth) and Assembly Members Joseph Azzolina (R-Middlesex/Monmouth) and Steve Corodemus (R-Monmouth), authorizes certain federal law enforcement officers to make arrests for violations of New Jersey law. The bill expands the list of federal law enforcement officers authorized to make arrests when serious state crimes are committed or about to be committed in their presence to include the Department of the Interior special agents, investigators, park police and park rangers and the United States postal police. The power of postal police officers is limited to offenses occurring on postal property while they are on duty.

S-995, sponsored by the late Senator Wynona M. Lipman (D- Essex/Union) and Senator Ronald L. Rice (D-Essex) and Assembly Member William D. Payne (D-Essex/Union), allows for the extension of property tax exemptions for certain non-profit housing corporations beyond the 35 year limit set by the 1991 Long Term Tax Exemption Law. The bill applies only to limited-dividend and non-profit housing corporations. This bill would allow a municipality to extend the term of any such tax exemption to coincide with the term of the housing corporation's mortgage financing. The mortgage duration and the

terms of any such extension shall be set forth in an agreement between the developer of the housing corporation and the affected municipality.

S-1133, sponsored by Senators Peter A. Inverso (R- Mercer/Middlesex) and Anthony R. Bucco (R-Morris) and Assembly Members Charlotte Vandervalk (R-Bergen), Steve Corodemus (R-Monmouth) and Neil M. Cohen (D-Union), provides a tax deduction to self-employers for 100% of the cost of health insurance. Under previous law, self-employers were treated the same as individuals could only deduct premiums in excess of 2% of their income as medical expense. This will change the tax treatment for self-employers to make it analogous to corporations. Under the law, corporations may deduct 100% of the cost of providing employee health insurance from their corporate income for the purpose of calculating the Corporate Business Tax.

S-585, sponsored by Senator Bernard F. Kenny, Jr. (D-Hudson) and Assembly Members Raul "Rudy" Garcia (D-Hudson) and Nicholas R. Felice (R-Bergen/Passaic), makes religious organizations, fraternal organizations, and certain educational institutions eligible for funding from the New Jersey Green Acres, Cultural Centers and Historic Preservation Bond Act of 1987, in addition to non-profit cultural centers that are currently eligible.

S-1448, sponsored by Senator Diane B. Allen (R-Burlington/Camden) and Assembly Members Rose Marie Heck (R-Bergen) and Jerry Green (D- Middlesex/Somerset/Union), appropriates \$95,000 to establish a permanent Council on Gender Parity in Labor and Education with the State Employment and Training Commission. The new council will help ensure that federal and state gender equity initiatives are implemented effectively in communities, schools and public agencies.

S-1960, sponsored by Senators Henry P. McNamara (R-Bergen/Passaic) and Robert E. Littell (R-Sussex/Hunterdon/Morris) and Assembly Members E. Scott Garrett (R-Sussex/Hunterdon/ Morris) and Guy R. Gregg (R- Sussex/Hunterdon/Morris), formalizes and makes permanent the municipal financial aid offset formula and program for the loss of property tax revenue as a result of the moratorium on the sale of watershed lands. For the last several years, the offset has been provided for through language inserted in the state annual Appropriations Act.

The amount of aid to be provided annually to every municipality where property is subject to the watershed moratorium is based on a formula of \$68.50 per acre of such lands in the municipality, to be adjusted annually by reference to the Consumer Price Index. The bill also appropriates \$3.4 million from the General Fund to the Department of Community Affairs for the purpose of providing watershed moratorium offset aid to qualifying municipalities for Fiscal Year 2000.

SCS for A-1983 and S-1237, sponsored by Assembly Members Francis J. Blee (R-Atlantic) and David W. Wolfe (R-Monmouth/Ocean) and Senators Wayne R. Bryant (D-Camden/Gloucester) and John J. Matheussen (R-Camden/Gloucester), creates the Higher Education Incentive Funding Program Act and appropriates \$5 million for state matching funds. The bill establishes within the Department of Treasury a program under which New Jersey's public and private institutions of higher education that receive substantial gifts of cash or marketable securities would qualify for state funds partially matching those gifts. The amount of matching funds payable would depend upon whether the gifts were endowment contributions or donations, and also upon the type of institution to which the gifts are made.

S-1074, sponsored by Senators Donald T. DiFrancesco (R- Middlesex/Morris/Somerset/Union) and Joseph M. Kyrillos, Jr. (R- Middlesex/Monmouth) and Assembly Members Joseph Azzolina (R- Middlesex/Monmouth) and Anthony Impreveduto (D-Bergen/Hudson, provides expanded sales and use tax exemptions for the film and video industry. Under current law, film production equipment including cameras, lighting equipment, sound recorders and film are exempt from the sales tax. This legislation expands the list to mirror those exempted in New York by exempting all products used and consumed directly and primarily in the production of a film. Newly tax exempt products include cars, lumber and supplies used in the production of a film. Tangible personal property incidental to the making of a film such as accommodations, prepared foods, and other products used by the film crew and actors and actresses would continue to be taxable.