

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 3337

STATE OF NEW JERSEY

DATED: MARCH 11, 2024

The Senate Budget and Appropriations Committee reports favorably Assembly Bill No. 3337 (1R).

This bill allows a municipal governing body to provide that an affordable housing unit, developed or preserved pursuant to a housing project or program supported by State or municipal affordable housing trust funds, is exempt from property taxation if the housing sponsor contributes to municipal services by providing for payment in lieu of taxation (PILOT).

The bill amends the "Fair Housing Act," P.L.1985, c.222 (C.52:27D-301 et al.), to authorize the governing body of a municipality in which a housing project or program is located, and which is granted or loaned monies from the "New Jersey Affordable Housing Trust Fund," to provide that the project is exempt from real property taxation if the municipality and the housing sponsor negotiate a PILOT agreement, as specified in the bill.

The bill also authorizes the governing body of a municipality to provide that a housing project or program which is funded through municipal affordable housing development fees is exempt from real property taxation if the municipality and the housing sponsor negotiate a PILOT agreement, as specified in the bill.

The bill provides that a PILOT agreement may require the housing sponsor to pay to the municipality an amount up to 20 percent of the annual gross revenue from each housing project for each year of operation of the agreement following the substantial completion of the housing project. Agreements negotiated between a housing sponsor and a municipality are to be submitted to the Commissioner of Community Affairs for review. While allowing some exception, the bill provides that a tax exemption granted under the bill could extend no longer than the date on which an eligible loan made for the project is paid in full.

As reported by the committee, Assembly Bill No. 3337 (1R) is identical to Senate Bill No. 2312, which was amended and reported by the committee on this date.

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.