

[Third Reprint]

**SENATE, No. 538**

**STATE OF NEW JERSEY**  
**218th LEGISLATURE**

PRE-FILED FOR INTRODUCTION IN THE 2018 SESSION

**Sponsored by:**

**Senator STEVEN V. OROHO**

**District 24 (Morris, Sussex and Warren)**

**Senator BRIAN P. STACK**

**District 33 (Hudson)**

**Assemblyman HAROLD "HAL" J. WIRTHS**

**District 24 (Morris, Sussex and Warren)**

**Assemblywoman VALERIE VAINIERI HUTTLE**

**District 37 (Bergen)**

**Assemblyman ANTHONY M. BUCCO**

**District 25 (Morris and Somerset)**

**Co-Sponsored by:**

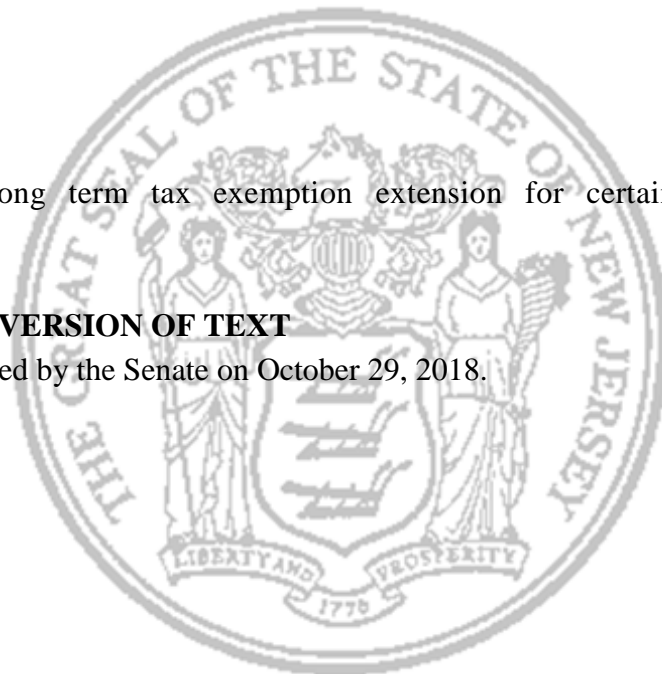
**Senators Diegnan, Bateman, Cardinale, Rice, Assemblywoman Chaparro,  
Assemblyman Peterson, Assemblywoman B.DeCroce, Assemblymen Giblin  
and Space**

**SYNOPSIS**

Allows long term tax exemption extension for certain low-income housing.

**CURRENT VERSION OF TEXT**

As amended by the Senate on October 29, 2018.



**(Sponsorship Updated As Of: 12/17/2019)**

1 AN ACT concerning long term tax exemptions on <sup>1</sup>**[age-restricted]**  
 2 certain low-income<sup>1</sup> housing, amending P.L.1983, c.530, and  
 3 supplementing P.L.1991, c.431 (C.40A:20-1 et seq.).  
 4

5 **BE IT ENACTED** by the Senate and General Assembly of the State  
 6 of New Jersey:  
 7

8 1. (New section) Notwithstanding the provisions of sections 12  
 9 and 13 of P.L.1991, c.431 (C.40A:20-12 and C.40A:20-13) to the  
 10 contrary, the governing body of a municipality may agree to  
 11 continue a tax exemption for a <sup>1</sup>**[qualified]** <sup>3</sup>State or<sup>3</sup> federally<sup>1</sup>  
 12 subsidized housing project beyond the date on which existing first  
 13 mortgage financing is fully paid so long as the project <sup>2</sup>**[continues**  
 14 **to receive]** remains subject to affordability controls pursuant to<sup>2 3</sup>:

15 a.<sup>3</sup> project-based federal <sup>1</sup>**[section 8]**<sup>1</sup> rental assistance,  
 16 <sup>1</sup>authorized pursuant to section 8 of the United States Housing Act  
 17 of 1937 (42 U.S.C. s.1437f),<sup>1</sup> or other federal <sup>3</sup>or State<sup>3</sup> project-  
 18 based <sup>1</sup>**[vouchers]** assistance<sup>1 3</sup>;

19 b. the Uniform Housing Affordability Controls promulgated by  
 20 the New Jersey Housing and Mortgage Finance Agency; or

21 c. the rent and income limits established by the federal Low  
 22 Income Housing Tax Credit program pursuant to section 42 of the  
 23 Internal Revenue Code (26 U.S.C. s.42)<sup>3</sup> .  
 24

25 2. Section 37 of P.L.1983, c.530, (C.55:14K-37) is amended to  
 26 read as follows:

27 37. a. It is the intent of the Legislature that in the event of any  
 28 conflict or inconsistency in the provisions of this act and any other  
 29 acts concerning housing sponsors or any rules and regulations  
 30 adopted thereunder, to the extent of such conflict or inconsistency,  
 31 the provisions of this act shall be enforced and the provisions of  
 32 such other acts and rules and regulations adopted thereunder shall  
 33 be of no effect.

34 b. The governing body of any municipality in which a housing  
 35 project financed or to be financed by the agency is or is to be  
 36 located may by ordinance or resolution, as appropriate, provide that  
 37 such project shall be exempt from real property taxation, if the  
 38 housing sponsor enters into an agreement with the municipality for  
 39 payments to the municipality in lieu of taxes for municipal services.  
 40 Any such agreement may require the housing sponsor to pay to the  
 41 municipality an amount up to <sup>1</sup>**[20%]** 20 percent<sup>1</sup> of the annual  
 42 gross revenue from each housing project situated on such real

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Senate SCU committee amendments adopted June 25, 2018.

<sup>2</sup>Senate SBA committee amendments adopted September 24, 2018.

<sup>3</sup>Senate floor amendments adopted October 29, 2018.

1 property for each year of operation thereof following the substantial  
 2 completion thereof. For the purpose of this section, "annual gross  
 3 revenue" means the total annual gross rental or carrying charge and  
 4 other income of a housing sponsor from a housing project. If any  
 5 such agreement is entered into from the date of recording the  
 6 mortgage on the project to the date of substantial completion of the  
 7 project, the annual amount payable to the municipality as taxes or  
 8 as payments in lieu of taxes in respect of the project site shall not be  
 9 in excess of the amount of taxes on the project site for the year  
 10 preceding the recording of the mortgage. Any agreement between  
 11 any housing sponsor and a municipality pursuant to this subsection  
 12 shall be submitted to the agency for review in order to avoid  
 13 duplicating, overlapping or inconsistent regulations or provisions.  
 14 Any exemption from taxation pursuant to the provisions of this  
 15 section shall not extend beyond the date on which the eligible loan  
 16 made by the agency on the project is paid in full.

17 c. Notwithstanding the provisions of subsection b. of this  
 18 section to the contrary, the governing body of a municipality may  
 19 agree to continue a tax exemption for a <sup>1</sup>["qualified] <sup>3</sup>State or<sup>3</sup>  
 20 federally<sup>1</sup> subsidized housing <sup>1</sup>["project," as defined under  
 21 subsection l. of section 3 of P.L.1991, c.431 (C.40A:20-3)] project<sup>1</sup>  
 22 , beyond the date on which the eligible loan made by the agency on  
 23 the project is fully paid, so long as the project <sup>2</sup>["continues to  
 24 receive"] remains subject to affordability controls pursuant to<sup>2 3</sup>:

25 (1)<sup>3</sup> project-based federal <sup>1</sup>["section 8"]<sup>1</sup> rental assistance,  
 26 <sup>1</sup>authorized pursuant to section 8 of the United States Housing Act  
 27 of 1937 (42 U.S.C. s.1437f),<sup>1</sup> or other federal <sup>3</sup>or State<sup>3</sup> project-  
 28 based <sup>1</sup>["vouchers"] assistance<sup>1 3</sup>:

29 (2) the Uniform Housing Affordability Controls promulgated by  
 30 the New Jersey Housing and Mortgage Finance Agency; or

31 (3) the rent and income limits established by the federal Low  
 32 Income Housing Tax Credit program pursuant to section 42 of the  
 33 Internal Revenue Code (26 U.S.C. s.42)<sup>3</sup> .

34 (cf: P.L.1983, c.530, s.37)

35

36 3. This act shall take effect immediately.