

ASSEMBLY, No. 2981

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 20, 2020

Sponsored by:

Assemblyman JAY WEBBER

District 26 (Essex, Morris and Passaic)

Assemblyman HAROLD "HAL" J. WIRTHS

District 24 (Morris, Sussex and Warren)

Co-Sponsored by:

Assemblyman Space

SYNOPSIS

Requires municipalities to file copies of tax abatement and exemption agreements with county chief financial officer and county counsel within 10 days of execution.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 4/9/2020)

1 AN ACT concerning the filing of certain financial agreements and
2 amending P.L.1991, c.441.

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 11 of P.L.1991, c.441 (C.40A:21-11) is amended to
8 read as follows:

9 11. a. All tax agreements entered into by municipalities
10 pursuant to sections 9 through 12 of P.L.1991, c.441 shall be in
11 effect for no more than the five full years next following the date of
12 completion of the project.

13 b. All projects subject to tax agreement as provided herein shall
14 be subject to all applicable federal, State and local laws and
15 regulations on pollution control, worker safety, discrimination in
16 employment, housing provision, zoning, planning and building code
17 requirements.

18 c. That percentage which the payment in lieu of taxes for a
19 property bears to the property tax which would have been paid had
20 an exemption and abatement not been granted for the property
21 under the agreement shall be applied to the valuation of the
22 property to determine the reduced valuation of the property to be
23 included in the valuation of the municipality for determining
24 equalization for county tax apportionment and school aid during the
25 term of the tax agreements covering the properties, and at the
26 termination of an agreement for a property the reduced valuation
27 procedure required under this section shall no longer apply.

28 d. Within **[30]** 10 days after the execution of a tax agreement,
29 a municipality shall forward a copy of the agreement to the
30 **[Director of the Division of Local Government Services in the**
31 **Department of Community Affairs]** the chief financial officer of the
32 county, and the county counsel.

33 (cf: P.L.2007, c.268, s.4)

34

35 2. Section 21 of P.L.1991, c.441 (C.40A:21-21) is amended to
36 read as follows:

37 21. The governing body of a municipality adopting an ordinance
38 pursuant to this act shall report, on or before October 1 of each
39 year, to the Director of the Division of Local Government Services
40 in the Department of Community Affairs and to the Director of the
41 Division of Taxation in the Department of the Treasury, the chief
42 financial officer of the county, and the county counsel the total
43 amount of real property taxes exempted and the total amount abated
44 within the municipality in the current tax year for each of the
45 following:

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.

- 1 a. improvements of dwellings;
- 2 b. construction of dwellings;
- 3 c. improvements and conversions of multiple dwellings;
- 4 d. improvements of commercial or industrial structures;
- 5 e. construction of multiple dwellings under tax agreements;
- 6 and
- 7 f. construction of commercial or industrial structures under tax
- 8 agreements.

9 In the case of e. and f. above, the report shall state instead the
10 total amount of payments made in lieu of taxes according to each
11 formula utilized by the municipality, and the difference between
12 that total amount and the total amount of real property taxes which
13 would have been paid on the project had the tax agreement not been
14 in effect, for the current tax year.

15 The Director of the Division of Taxation shall include a
16 summary of the information provided in the annual reports in the
17 annual report of the division.

18 (cf: P.L.1991, c.441, s.21)

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20 3. This act shall take effect immediately.

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STATEMENT

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25 This bill would require municipalities to file copies of all
26 financial agreements permitting short-term property tax abatements
27 and exemptions with the county chief financial officer and county
28 counsel, within 10 days of adoption. Agreements permitting short-
29 term property tax abatements are now required to be filed with the
30 Division of Local Government Services in the Department of
31 Community Affairs.

32 Currently, the governing body of a municipality is required to
33 report the total amount of real property taxes exempted and the total
34 amount abated within the municipality in the current tax year to the
35 Director of the Division of Local Government Services in the
36 Department of Community Affairs and to the Director of the
37 Division of Taxation in the Department of the Treasury. This bill
38 would also require the governing body of a municipality to report,
39 on or before October 1 of each year, to the chief financial officer of
40 the county, and the county counsel.