

CHAPTER 91

AN ACT concerning real property tax abatements for certain renovated property, amending P.L.1992, c.79 and supplementing P.L.1991, c.441 (C.40A:21-1 et seq.).

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

1. Section 14 of P.L.1992, c.79 (C.40A:12A-14) is amended to read as follows:

C.40A:12A-14 Conditions for determination of need for rehabilitation.

14. a. A delineated area may be determined to be in need of rehabilitation if the governing body of the municipality determines by resolution that there exist in that area conditions such that (1) a significant portion of structures therein are in a deteriorated or substandard condition and there is a continuing pattern of vacancy, abandonment or underutilization of properties in the area, with a persistent arrearage of property tax payments thereon or (2) more than half of the housing stock in the delineated area is at least 50 years old, or a majority of the water and sewer infrastructure in the delineated area is at least 50 years old and is in need of repair or substantial maintenance; and (3) a program of rehabilitation, as defined in section 3 of P.L.1992, c.79 (C.40A:12A-3), may be expected to prevent further deterioration and promote the overall development of the community. Where warranted by consideration of the overall conditions and requirements of the community, a finding of need for rehabilitation may extend to the entire area of a municipality. Prior to adoption of the resolution, the governing body shall submit it to the municipal planning board for its review. Within 45 days of its receipt of the proposed resolution, the municipal planning board shall submit its recommendations regarding the proposed resolution, including any modifications which it may recommend, to the governing body for its consideration. Thereafter, or after the expiration of the 45 days if the municipal planning board does not submit recommendations, the governing body may adopt the resolution, with or without modification. The resolution shall not become effective without the approval of the commissioner pursuant to section 6 of P.L.1992, c.79 (C.40A:12A-6), if otherwise required pursuant to that section.

b. A delineated area shall be deemed to have been determined to be an area in need of rehabilitation in accordance with the provisions of this act if it has heretofore been determined to be an area in need of rehabilitation pursuant to P.L.1975, c.104 (C.54:4-3.72 et seq.), P.L.1977, c.12 (C.54:4-3.95 et seq.) or P.L.1979, c.233 (C.54:4-3.121 et al.).

c. (1) A municipality may adopt an ordinance declaring a renovation housing project to be an area in need of rehabilitation for the purposes of Article VIII, Section I, paragraph 6 of the New Jersey Constitution if the need for renovation resulted from conflagration.

(2) For the purposes of this subsection, "renovation housing project" means any work or undertaking to provide a decent, safe, and sanitary dwelling, to exclusively benefit a specific household, by the renovation, reconstruction, or replacement of the household's home on the same lot by either a charitable entity organized to perform home renovations or by a for-profit builder using 75% or more volunteer labor-hours to accomplish the construction for the project. The undertaking may include any buildings; demolition, clearance, or removal of buildings from land; equipment; facilities; or other personal properties or interests therein which are necessary, convenient, or desirable appurtenances of the undertaking.

d. (1) A municipality may adopt an ordinance declaring a renovation housing project to be an area in need of rehabilitation for the purposes of Article VIII, Section I, paragraph 6 of the New Jersey Constitution if at least half of the number of people occupying the dwelling as their primary residence qualify for a federal income tax credit pursuant to 26 U.S.C. s.22 as a

result of being permanently and totally disabled and the improvements to be made to the dwelling are made substantially to accommodate those disabilities.

(2) For the purposes of this subsection, “renovation housing project” means any work or undertaking to provide a decent, safe, and sanitary single-family dwelling, to exclusively benefit at least half of the number of people occupying a dwelling as their primary residence, by the renovation, reconstruction, or replacement of that dwelling on the same lot by either a charitable entity organized to perform home renovations or by a for-profit builder using 75% or more volunteer labor-hours to accomplish the construction for the project. The undertaking may include any buildings; demolition, clearance, or removal of buildings from land; equipment; facilities; or other personal properties or interests therein which are necessary, convenient, or desirable appurtenances of the undertaking.

C.40A:21-6.2 Tax exemption, abatement for certain housing improvements to accommodate certain disabled persons.

2. A municipality may adopt an ordinance granting an abatement or exemption from taxation for improvements to a residential property that is a single family dwelling, resulting from a renovation housing project, as defined under subsection d. of section 14 of P.L.1992, c.79 (C.40A:12A-14). The ordinance shall require that, in determining the value of real property, the municipality shall regard up to and including the assessor's full and true value of the improvements as not increasing the taxable value of the property for a period of five years, notwithstanding that the value of the property to which the improvements are made is increased thereby. During the exemption period, the assessment on the property shall not be less than the assessment thereon immediately prior to the improvements. The ordinance may provide for a reduction of the abatement or exemption for each year of the exemption period.

3. This act shall take effect immediately.

Approved May 6, 2007.