

## CHAPTER 122

**AN ACT** extending the moratorium on the imposition of Statewide non-residential development fees, amending P.L.2008, c.46 and P.L.2009, c.90.

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

1. Section 37 of P.L.2008, c.46 (C.40:55D-8.6) is amended to read as follows:

C.40:55D-8.6 Inapplicability of certain provisions of law imposing fee upon developer of certain non-residential property.

37. a. The provisions of this subsection shall not apply to a financial or other contribution that a developer made or committed itself to make prior to the effective date of sections 32 through 38 of P.L.2008, c.46 (C.40:55D-8.1 through C.40:55D-8.7). The provisions of P.L.2008, c.46 that would permit the imposition of a fee upon a developer of non-residential property shall not apply to:

(1) Non-residential property for which a site plan has received either preliminary approval, pursuant to section 34 of P.L.1975, c.291 (C.40:55D-46), or final approval, pursuant to section 38 of P.L.1975, c.291 (C.40:55D-50), prior to July 1, 2013; provided that a permit for the construction of the building has been issued by the local enforcing agency having jurisdiction, in accordance with section 13 of P.L.1975, c.217 (C.52:27D-131), prior to January 1, 2015;

(2) A non-residential planned development which has received approval of a general development plan pursuant to section 5 of P.L.1987, c.129 (C.40:55D-45.3), or a nonresidential development for which the developer has entered into a developer's agreement pursuant to a development approval granted pursuant to P.L.1975, c.291 (C.40:55D-1 et seq.) or for which the redeveloper has entered into a redevelopment agreement pursuant to P.L.1992, c.79 (C.40A:12A-1 et al.) prior to the effective date of P.L.2008, c.46 (C.52:27D-329.1 et al.); provided, however, that the general development plan, developer's agreement, redevelopment agreement, or any development agreement pursuant to the "Municipal Land Use Law," P.L.1975, c.291 (C.40:55D-1 et seq.) provides that the developer or redeveloper pay a fee for affordable housing of at least one percent of the equalized assessed value of the improvements which are the subject of the development plan, developer's agreement, or redevelopment agreement;

(3) A non-residential project that, prior to July 1, 2013, has been referred to a planning board by the State, a governing body, or other public agency for review pursuant to section 22 of P.L.1975, c.291 (C.40:55D-31); provided that a permit for the construction of the building has been issued by the local enforcing agency having jurisdiction, in accordance with section 13 of P.L.1975, c.217 (C.52:27D-131), prior to January 1, 2015;

(4) A non-residential property for which a site plan application has received approval by the New Jersey Meadowlands Commission, pursuant to section 13 of P.L.1968, c.404 (C.13:17-14) prior to July 1, 2013; provided that a permit for the construction of the building has been issued by the local enforcing agency having jurisdiction, in accordance with section 13 of P.L.1975, c.217 (C.52:27D-131), prior to January 1, 2015;

(5) Individual buildings within a nonresidential phased development that received either preliminary or final approval prior to July 1, 2013, provided that a permit for the construction of the building has been issued prior to January 1, 2015.

b. A developer may challenge non-residential development fees imposed pursuant to P.L.2008, c.46 (C.52:27D-329.1 et al.) by filing a challenge with the Director of the Division of Taxation. Pending a review and determination by the director, which shall be made within

45 days of receipt of the challenge, collected fees shall be placed in an interest bearing escrow account by the municipality or by the State, as the case may be. Appeals from a determination of the director may be made to the tax court in accordance with the provisions of the State Uniform Tax Procedure Law, R.S.54:48-1 et seq., within 90 days after the date of such determination. Interest earned on amounts escrowed shall be credited to the prevailing party.

c. Whenever non-residential development is situated on real property that has been previously developed with a building, structure, or other improvement, the non-residential development fee shall be equal to two and a half (2.5) percent of the equalized assessed value of the land and improvements on the property where the non-residential development is situated at the time the final certificate of occupancy is issued, less the equalized assessed value of the land and improvements on the property where the non-residential development is situated, as determined by the tax assessor of the municipality at the time the developer or owner, including any previous owners, first sought approval for a construction permit, including, but not limited to, demolition permits, pursuant to the State Uniform Construction Code, or approval under the "Municipal Land Use Law," P.L.1975, c.291 (C.40:55D-1 et seq.). If the calculation required under this section results in a negative number, the non-residential development fee shall be zero.

Whenever the developer of a non-residential development has made or committed itself to make a financial or other contribution relating to the provision of housing affordable to low and moderate income households prior to the enactment of P.L.2008, c.46 (C.52:27D-329.1 et al.), the non-residential development fee shall be reduced by the amount of the financial contribution and the fair market value of any other contribution made by or committed to be made by the developer. For purposes of this section, a developer is considered to have made or committed itself to make a financial or other contribution, if and only if: (1) the contribution has been transferred, including but not limited to when the funds have already been received by the municipality; (2) the developer has obligated itself to make a contribution as set forth in a written agreement with the municipality, such as a developer's agreement; or (3) the developer's obligation to make a contribution is set forth as a condition in a land use approval issued by a municipal land use agency pursuant to the "Municipal Land Use Law," P.L.1975, c.291 (C.40:55D-1 et seq.).

d. Unless otherwise provided for by law, no municipality shall be required to return a financial or any other contribution made by or committed to be made by the developer of a non-residential development prior to the enactment of P.L.2008, c.46 (C.52:27D-329.1 et al.) relating to the provision of housing affordable to low and moderate income households, provided that the developer does not obtain an amended, modified, or new municipal land use approval with a substantial change in the non-residential development. If the developer obtains an amended, modified, or new land use approval for non-residential development, the municipality, person, or entity shall be required to return to the developer any funds or other contribution provided by the developer for the provision of housing affordable to low and moderate income households and the developer shall not be entitled to a reduction in the affordable housing development fee based upon that contribution.

e. The provisions of sections 32 through 38 of P.L.2008, c.46 (C.40:55D-8.1 through C.40:55D-8.7) shall not be construed in any manner as affecting the method or timing of assessing real property for property taxation purposes. The payment of a non-residential development fee shall not increase the equalized assessed value of any property.

2. Section 39 of P.L. 2009, c.90 (C.40:55D-8.8) is amended to read as follows:

C.40:55D-8.8 Applicability of section.

39. The provisions of this section shall apply only to those developments for which a fee was imposed pursuant to sections 32 through 38 of P.L.2008, c.46 (C.40:55D-8.1 through C.40:55D-8.7), known as the "Statewide Non-residential Development Fee Act."

a. A developer of a property that received preliminary site plan approval, pursuant to section 34 of P.L.1975, c.291 (C.40:55D-46), or final approval, pursuant to section 38 of P.L.1975, c.291 (C.40:55D-50) prior to July 17, 2008 and that was subject to the payment of a nonresidential development fee prior to the enactment of P.L.2009, c.90 (C.52:27D-489a et al.), shall be entitled to a return of any moneys paid that represent the difference between moneys committed prior to July 17, 2008 and monies paid on or after that date.

b. A developer of a non-residential project that, prior to July 17, 2008, has been referred to a planning board by the State, a governing body, or other public agency for review pursuant to section 22 of P.L.1975, c.291 (C. 40:55D-31) and that was subject to the payment of a nonresidential development fee prior to the enactment of P.L.2009, c.90 (C.52:27D-489a et al.), shall be entitled to a return of any moneys paid that represent the difference between moneys committed prior to July 17, 2008 and moneys paid on or after that date.

c. If moneys are required to be returned under subsection a., b. or d. of this section, a claim shall be submitted, in writing, to the same entity to which the moneys were paid, within 120 days of the effective date of P.L.2009, c.90 (C.52:27D-489a et al.). The entity to whom the funds were paid shall promptly review all requests for returns, and the fees paid shall be returned to the claimant within 30 days of receipt of the claim for return.

d. A developer of a non-residential project that paid a fee imposed pursuant to sections 32 through 38 of P.L.2008, c.46 (C.40:55D-8.1 through C.40:55D-8.7), subsequent to July 17, 2008 but prior to the effective date of P.L.2009, c.90 (C.52:27D-489a et al.), shall be entitled to the return of those moneys paid, provided that the provisions of section 37 of P.L.2008, c.46 (C.40:55D-8.6), as amended by P.L.2009, c.90 do not permit the imposition of a fee upon the developer of that non-residential property.

e. Notwithstanding the provisions of subsections a., b., c., and d. of this section, if, on the effective date of P.L.2009, c.90 (C.52:27D-489a et al.), a municipality that has returned all or a portion of non-residential fees in accordance with subsection a. or b. of this section shall be reimbursed from the funds available through the appropriation made into the "New Jersey Affordable Housing Trust Fund" pursuant to section 41 of P.L.2009, c.90 (C.52:27D-320.1) within 30 days of the municipality providing written notice to the Council on Affordable Housing.

f. A developer of a non-residential project that paid a fee imposed pursuant to sections 32 through 38 of P.L.2008, c.46 (C.40:55D-8.1 through C.40:55D-8.7), subsequent to June 30, 2010 but prior to the effective date of P.L.2011, c.122, shall be entitled to the return of those monies paid, provided that said monies have not already been expended by the municipality on affordable housing projects, and provided that the provisions of section 37 of P.L.2008, c.46 (C.40:55D-8.6), as amended by P.L.2011, c.122 do not permit the imposition of a fee upon the developer of that non-residential property. If moneys are eligible to be returned under this subsection, a claim shall be submitted, in writing, to the same entity to which the moneys were paid, within 120 days of the effective date of P.L.2011, c.122. The entity to whom the funds were paid shall promptly review all requests for returns, to ensure applicability of section 37 of P.L.2008, c.46 (C.40:55D-8.6) and the fees paid shall be returned to the claimant within 30 days of receipt of the claim for return.

3. Section 40 of P.L.2009, c.90 (C.52:27D-311.3) is amended to read as follows:

C.52:27D-311.3 Reduction, elimination of affordable housing obligation of municipality.

40. The portion, if any, of the affordable housing obligation of a municipality attributable to a particular non-residential development shall be reduced or eliminated if:

a. the collection of fees under sections 32 through 38 of P.L.2008, c.46 (C.40:55D-8.1 through C.40:55D-8.7) is effectively suspended for a period of time pursuant to that law; and

b. the Council on Affordable Housing, in consultation with the Department of Community Affairs, has made a determination within two years of the effective date of P.L.2009, c.90 (C.52:27D-489a et al.), that there are insufficient funds in the "New Jersey Affordable Housing Trust Fund," or through other State or federal housing subsidies available to a municipality to assist in the production of such housing units, in the same amount as would have been collected if not for the suspension thereof, pursuant to sections 32 through 38 of P.L.2008, c.46 (C.40:55D-8.1 through C.40:55D-8.7) by the date of the determination.

c. Nothing in P.L.2009, c.90 (C.52:27D-489a et al.) shall be construed to affect the municipal obligation to provide a realistic opportunity for its projected fair share of the regional housing need as determined by the Council on Affordable Housing in accordance with the provisions of the "Fair Housing Act," P.L.1985, c.222 (C.52:27D-301 et al.).

4. This act shall take effect immediately.

Approved August 24, 2011.