

# SENATE, No. 378

## STATE OF NEW JERSEY 220th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2022 SESSION

**Sponsored by:**

**Senator SHIRLEY K. TURNER**

**District 15 (Hunterdon and Mercer)**

**Senator RENEE C. BURGESS**

**District 28 (Essex)**

**Co-Sponsored by:**

**Senators Pou and Rice**

**SYNOPSIS**

Allows municipalities to adjust deadline to apply for short-term exemption or abatement for dwellings; requires provision of notice to purchasers of dwellings in areas in need of rehabilitation under certain circumstances.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



**(Sponsorship Updated As Of: 1/12/2023)**

1 AN ACT concerning short-term tax exemption or abatement for  
2 dwellings and 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 16 of P.L.1991, c.441 (C.40A:21-16) is amended to  
8 read as follows:

9 16. a. No exemption or abatement shall be granted pursuant to  
10 **[this act]** P.L.1991, c.441 (C.40A:21-1 et seq.) except upon written  
11 application therefor filed with and approved by the assessor of the  
12 taxing district wherein the improvement, conversion alteration or  
13 construction is made. Every application shall be on a form  
14 prescribed by the Director of the Division of Taxation in the  
15 Department of the Treasury, and provided for the use of claimants  
16 by the governing body of the municipality constituting the taxing  
17 district, and shall be filed with the assessor within the timeframes  
18 specified herein and authorized by ordinance.

19 b. (1) Except as provided in paragraph (2) of this subsection,  
20 an ordinance adopted pursuant to section 4 of P.L.1991, c.441  
21 (C.40A:21-4) shall require a claimant to file an application with the  
22 assessor within 30 days, including Saturdays and Sundays,  
23 following the completion of the improvement, conversion alteration  
24 or construction.

25 (2) If an ordinance adopted pursuant to section 4 of  
26 P.L.1991, c.441 (C.40A:21-4) provides for exemptions, abatements,  
27 or both exemptions and abatements, for improvements to dwellings  
28 pursuant to section 5 of P.L.1991, c.441 (C.40A:21-5), the  
29 ordinance may provide that, in the event a claimant has not filed an  
30 application with the assessor within 30 days following the  
31 completion of improvements to a dwelling pursuant to paragraph  
32 (1) of this subsection, a purchaser of the dwelling may file an  
33 application with the assessor within the later of one year of the date  
34 of completion of the improvements, or within one year of the date  
35 of the purchase of the dwelling.

36 c. Every application for exemption, or exemption and  
37 abatement, within a municipality adopting the provisions of **[this**  
38 **act]** P.L.1991, c.441 (C.40A:21-1 et seq.) which is filed within the  
39 time specified, shall be approved and allowed by the assessor to the  
40 degree that the application is consistent with the provisions of the  
41 adopting ordinance or the tax agreement, provided that the  
42 improvement, conversion alteration or construction for which the  
43 application is made qualifies as an improvement, a conversion  
44 alteration or construction pursuant to the provisions of **[this act]**  
45 P.L.1991, c.441 (C.40A:21-1 et seq.) and the tax agreement, if any.

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       d. The granting of an exemption, or exemption and abatement,  
2 shall relate back to, and take effect as of **[,]**:

3       (1) the date of completion of the project, or portion or stage of  
4 the project for which the exemption, or exemption and abatement, is  
5 granted, and shall continue for five annual periods from that date; or

6       (2) the date of purchase of the property for which the  
7 exemption, or exemption and abatement, is granted, and shall  
8 continue for five annual periods from that date.

9       e. The grant of the exemption, or exemption and abatement, or  
10 tax agreement shall be recorded and made a permanent part of the  
11 official tax records of the taxing district, which record shall contain  
12 a notice of the termination date thereof.

13 (cf: P.L.2007, c.268, s.6)

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15       2. Section 20 of P.L.1991, c.441 (C.40A:21-20) is amended to  
16 read as follows:

17       20. a. A municipality which has adopted an ordinance  
18 providing for exemptions, or exemptions and abatements, pursuant  
19 to **[this act]** P.L.1991, c.441 (C.40A:21-1 et seq.) shall include the  
20 appropriate notice in the mailing of annual property tax bills to each  
21 owner of a dwelling located in an area in which exemptions, or  
22 exemptions and abatements, may be allowed pursuant to the  
23 ordinance during the first year following adoption of the ordinance.

24       b. The owner of a dwelling located in an area in which  
25 exemptions, abatements, or both exemptions and abatements, may  
26 be allowed pursuant to an ordinance adopted pursuant to  
27 P.L.1991, c.441 (C.40A:21-1 et seq.), which owner has completed  
28 improvements to the dwelling, but has not submitted an application  
29 to the assessor for exemption, abatement, or both pursuant to  
30 section 16 of P.L.1991, c.441 (C.40A:21-16), shall provide notice to  
31 that effect to the subsequent purchaser of the dwelling at the time of  
32 entering into a contract of sale for the dwelling.

33 (cf: P.L.1991, c.441, s.20)

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35       3. This act shall take effect immediately.

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#### STATEMENT

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40       This bill would authorize municipalities to adopt or amend their  
41 ordinances allowing for short-term tax exemptions and abatements  
42 in areas in need of rehabilitation to allow a subsequent purchaser of  
43 a dwelling located within an area in need of rehabilitation to submit  
44 an application for a short-term tax exemption or abatement for  
45 improvements that were made to the dwelling by the prior owner.  
46 The bill would also require the owner of a dwelling located in an  
47 area in which short-term tax exemptions and abatements are  
48 allowed, which owner has completed improvements to the dwelling,

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1 but has not submitted an application to the assessor for a tax  
2 exemption or abatement, to provide notice to that effect to the  
3 subsequent purchaser of the dwelling at the time of entering into a  
4 contract of sale for the dwelling.

5 Current law requires applications for exemptions or abatements  
6 to be submitted to the assessor within 30 days of completion of  
7 improvements. This bill will allow municipalities that adopt  
8 ordinances providing for short-term tax exemptions and abatements  
9 for improvements to dwellings to provide that, in the event a  
10 claimant has not filed an application with the assessor within 30  
11 days following the completion of improvements to a dwelling, a  
12 purchaser of the dwelling may file an application with the assessor  
13 within the later of one year of the date of completion of the  
14 improvements, or within one year of the date of the purchase of the  
15 dwelling. This will provide the subsequent purchaser of a dwelling,  
16 in municipalities allowing it, a window of opportunity to submit an  
17 application for an exemption or abatement which, if granted, will  
18 provide the new owner a period of time to take appropriate action  
19 based upon this financial obligation.