

## CHAPTER 45

PROPERTY TAX EXEMPTIONS IN URBAN  
ENTERPRISE ZONE MUNICIPALITIES

## Authority

N.J.S.A. 54:4-3.141.

## Source and Effective Date

R.2005 d.419, effective October 31, 2005.  
See: 37 N.J.R. 828(a), 37 N.J.R. 4533(b).

## Chapter Expiration Date

In accordance with N.J.S.A. 52:14B-5.1c, Chapter 45, Property Tax Exemptions in Urban Enterprise Zone Municipalities, expires on April 29, 2011. See: 42 N.J.R. 1125(a).

## Chapter Historical Note

Chapter 45, Property Tax Exemptions in Urban Enterprise Zone Municipalities, was originally codified in Title 5, as Chapter 22, Exemptions From Taxation. Chapter 22 was adopted as R.1975 d.327, effective October 30, 1975. See: 7 N.J.R. 457(a), 7 N.J.R. 540(b). Pursuant to Executive Order No. 66(1978), Chapter 22 expired on April 1, 1980.

Chapter 22, Exemptions From Taxation, was adopted as new rules by R.1980 d.206, effective May 8, 1980. See: 12 N.J.R. 305(b).

Pursuant to Executive Order No. 66(1978), Chapter 22, Exemptions From Taxation, was readopted as R.1984 d.590, effective December 10, 1984. See: 16 N.J.R. 2191(b), 17 N.J.R. 71(a). Pursuant to Executive Order No. 66(1978), Chapter 22 expired on December 1, 1989.

Chapter 22, Exemptions From Taxation, was adopted as new rules by R.1990 d.60, effective February 5, 1990. See: 21 N.J.R. 3345(a), 22 N.J.R. 350(a).

Subchapter 3, Residential New Construction, Improvement and Conversion in Urban Enterprise Zone Municipalities, was adopted as R.1990 d.227, effective May 7, 1990. See: 22 N.J.R. 591(a), 22 N.J.R. 1355(a).

Subchapter 1, One and Two-Unit Residences, and Subchapter 2, Multiple Dwellings, were repealed by R.1992 d.291, effective July 20, 1992. See: 24 N.J.R. 1669(a), 24 N.J.R. 2556(c).

Pursuant to Executive Order No. 66(1978), Chapter 22, Exemptions From Taxation, expired on February 5, 1995.

Chapter 22, Exemptions From Taxation, was adopted as new rules by R.1995 d.256, effective May 15, 1995. See: 27 N.J.R. 794(b), 27 N.J.R. 1977(a).

Pursuant to Executive Order No. 66(1978), Chapter 22, Exemptions From Taxation, was readopted as R.2000 d.235, effective May 11, 2000. Chapter 22 was recodified as N.J.A.C. 5:45, Property Tax Exemptions in Urban Enterprise Zone Municipalities, by R.2000 d.235, effective June 5, 2000. See: 31 N.J.R. 3003(a), 32 N.J.R. 2048(b). See, also, section annotations.

Chapter 45, Property Tax Exemptions in Urban Enterprise Zone Municipalities, was readopted by R.2005 d.419, effective October 31, 2005. See: Source and Effective Date.

## CHAPTER TABLE OF CONTENTS

SUBCHAPTER 1. RESIDENTIAL NEW CONSTRUCTION,  
IMPROVEMENT AND CONVERSION IN URBAN  
ENTERPRISE ZONE MUNICIPALITIES

- 5:45-1.1 Purpose  
5:45-1.2 Standards for municipal determinations  
5:45-1.3 Relocation assistance

SUBCHAPTER 1. RESIDENTIAL NEW  
CONSTRUCTION, IMPROVEMENT AND  
CONVERSION IN URBAN ENTERPRISE ZONE  
MUNICIPALITIES

## 5:45-1.1 Purpose

This subchapter is adopted pursuant to section 3 of P.L. 1989, c.207 for the purpose of setting forth standards by which municipalities that are deemed to be "qualified municipalities" under the statute may determine that one or more areas within the municipality are in need of rehabilitation and that one or more buildings in any such area could be advantageously converted to "qualified residential property," as defined in section 2 of the statute, or that vacant land in any such area could be advantageously used for the construction of such "qualified residential property."

## 5:45-1.2 Standards for municipal determinations

(a) In any municipality that is a "qualified municipality," as defined in Section 2 of P.L. 1989, c.207, a determination may be made by the municipal governing body that an area is in need of rehabilitation only if at least one of the following criteria is satisfied:

1. The area has been previously declared, pursuant to either N.J.S.A. 40:55-21.1 et seq. or 40A:20-1 et seq., to be either blighted or in need of redevelopment;
2. There is evidence of substantial housing or health code violations in at least 25 percent of the dwelling units in the area;
3. At least 25 percent of the dwelling units in the area are in buildings at least 40 years old;
4. At least 25 percent of the dwelling units in the area in buildings having real property tax arrearages in at least the amount of one year's taxes; or
5. At least 10 percent of the land within the area, including both privately-owned property and property that is municipally-owned as a result of tax foreclosure but excluding other public property, is vacant or has only unoccupied buildings on it.

(b) No area shall be deemed to be in need of rehabilitation unless the demand for housing in the municipality exceeds the supply and the improvement or conversion of one or more existing buildings in the area, or new residential construction in the area on one or more vacant lots, or lots that might be made vacant through demolition of existing substandard structures, is determined by the governing body to be likely to increase the overall supply of safe, sanitary and decent housing affordable to those in need of it.

Amended by R.2000 d.235, effective June 5, 2000.  
See: 32 N.J.R. 3003(a), 32 N.J.R. 2048(b).

### **5:45-1.3 Relocation assistance**

The improvement, conversion or demolition of any building in conjunction with any tax abatement granted under P.L. 1989, c.207 shall be deemed to be part of a "program of voluntary rehabilitation of buildings or other improvements conducted pursuant to governmental supervision" within the meaning of N.J.S.A. 20:4-2.