



**State of New Jersey**  
DEPARTMENT OF COMMUNITY AFFAIRS  
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JON S. CORZINE  
*Governor*

JOSEPH V. DORIA, JR.  
*Commissioner*

June 26, 2008

Dear Construction Official:

I am writing to make you aware of a bill, recently passed by both houses of the Legislature, which has implications for issuance of certificates of occupancy for non-residential construction. The bill (A-500/S-1783) establishes a new, statewide non-residential development fee to be charged by all municipalities for non-residential construction or improvements. The fee of 2.5 percent of the equalized assessed value of non-residential development will be determined by the Tax Assessor and must be paid by the developer prior to the issuance of a certificate of occupancy. A copy of the bill can be obtained by using the "Bill Search" on the New Jersey Legislature's website <http://www.njleg.state.nj.us>.

The bill allows municipalities under the Council on Affordable Housing's (COAH) jurisdiction pursuant to the Fair Housing Act to retain non-residential development fees collected in accordance with COAH's regulations and pursuant to the bill. In all other municipalities, the fee is to be paid to the State of New Jersey, Division of Revenue. Proof of payment of this fee will be a required prior approval for issuance of a certificate of occupancy pursuant to N.J.A.C. 5:23-2.24.

The Department currently is working with the Division of Revenue and with Division of Taxation, both in the Department of the Treasury, on the details of implementation of this bill. Once the bill is signed into law by the Governor, we will send instructions to all of the local code enforcement agencies.

Attached is a copy of the letter being sent to all Municipal Tax Assessors.

In the interim, should you have any questions, please feel free to contact my office.

Sincerely,

Cynthia A. Wilk  
Director  
Division of Codes and Standards

