

CHAPTER 108

AN ACT clarifying certain provisions of P.L.2002, c.43, amending and supplementing P.L.2002, c.43 (C.52:27BBB-1 et seq.).

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

C.52:27BBB-2.1 Findings, declarations relative to "Municipal Rehabilitation and Economic Recovery Act."

1. The Legislature finds and declares that:
 - a. The court decision striking certain provisions of P.L.2002, c.43 requires the Legislature to clarify its intent in approving that act;
 - b. The court's interpretation of P.L.2002, c.43 is contrary to the intent of the Legislature and as a result, amendatory legislation removing any question regarding the intent, scope and applicability of that act is appropriate;
 - c. It is also important to clarify and expand upon a legislative intent of focusing redevelopment efforts in qualified municipalities by ensuring that the expenditure of public dollars for development and redevelopment is coordinated with the expenditure of public dollars supporting schools and educational efforts in such municipalities; and
 - d. Given the magnitude of the State's investment in a qualified municipality, it is incumbent upon the State to take the appropriate steps necessary to ensure effective governance at the school district level in addition to effective governance at the municipal level. Not only will limited school district oversight ensure the coordinated expenditures of public funds, it will ensure that the proposed local tax levy to support the district's schools will not further burden the municipal tax base. Additionally, this oversight will assist the district in improving the quality of education provided to students in the municipality. Enhancing educational quality will, in turn, assist housing revitalization by attracting new families to the community and preventing flight of current residents. It will also serve to attract new businesses and potential employers because the community can offer better-prepared graduates to the workforce.

2. Section 2 of P.L.2002, c.43 (C.52:27BBB-2) is amended to read as follows:

C.52:27BBB-2 Findings, declarations relative to municipal rehabilitation and economic recovery.

2. The Legislature finds and declares that:
 - a. There exists in certain municipalities a continuing state of fiscal distress which endures despite the imposition of a series of measures authorized pursuant to law;
 - b. Economically impoverished, those municipalities have a history of high crime rates, including arson, that has necessitated the maintenance of large police and fire departments, at enormous taxpayer cost in municipalities without a sound tax base;
 - c. The past fifty years have witnessed the depopulation of those municipalities characterized by such problems;
 - d. Spending power on the part of residents of these municipalities is severely limited and local businesses thereby suffer from the lack of an indigenous client base so that rebuilding the fortunes of city residents in order to recreate a viable urban economy will require a considerable period of time;
 - e. Notwithstanding the prosperity which has been experienced elsewhere throughout New Jersey in recent years, the unemployment rate in these municipalities is substantially higher than that of most other municipalities;
 - f. While the rest of New Jersey has enjoyed increased land values, the ratable base in these municipalities has declined steadily during the 1990's, marked by their low equalized value per capita which can be about one-half that of other cities;
 - g. Coupled with this economic deprivation, many of these municipalities are characterized by a lack of internal audit controls, accountability and oversight, evidenced by the fact that although real estate taxes comprise over two-thirds of locally generated revenues, many of these municipalities do not rigorously enforce collection and receive but a portion of their levy;
 - h. Although the State has experienced a period of tremendous prosperity and economic growth over the past few years, such municipalities continue to languish without any obvious signs of improvement;

i. These municipalities have experienced a substantial budget deficit for many years which has only been addressed through extraordinary payments of State aid;

j. While State aid dollars which have been directed toward such municipalities have served to address their structural deficits, they have not, and cannot, function as an economic impetus toward the rebuilding of those municipalities;

k. Because a significant proportion of the population of such municipalities lacks adequate health insurance coverage, causing many to seek basic care in municipal emergency rooms, municipal hospitals are heavily dependent upon State assistance commonly referred to as "charity care" for reimbursement. Such health services are crucial to the overall health of the infrastructure and social growth and stability of qualified municipalities. Moreover, the demand for such health services has necessitated planning for a major expansion of medical school programs within qualified municipalities;

l. Given the high crime rates in these municipalities, if economic recovery is to be successful, it is vital that municipal residents feel that their basic safety is assured; accordingly, the State will continue to commit to assist such municipalities in maintaining not less than that number of police officers employed by the municipality at the time of the determination by the commissioner that the municipality fulfills the definition of a qualified municipality and in creating working relationships between State agencies, local law enforcement and the community to identify and develop strategies to improve the quality of life and the security of residents in qualified municipalities;

m. In order to ensure the long-term economic viability of such municipalities, it is critical that the Legislature encourage, to the extent possible, the production of market-rate housing within the municipality so as to expand the local tax base and provide a greater diversity of income levels among municipal inhabitants;

n. When faced with analogous situations, other states have employed extraordinary measures to provide leadership and oversight for struggling cities and the necessary tools to spur an economic revival within those cities; and

o. In light of the dire needs faced by such municipalities and the lack of progress in addressing those needs either governmentally or through private sector initiative, and given the successful interventions on the part of other states in analogous circumstances, it is incumbent upon the State to take exceptional measures, on an interim basis, to rectify certain governance issues faced by such municipalities and to strategically invest those sums of money necessary in order to assure the long-term financial viability of these municipalities.

3. Section 3 of P.L.2002, c.43 (C.52:27BBB-3) is amended to read as follows:

C.52:27BBB-3 Definitions relative to municipal rehabilitation and economic recovery.

3. As used in this act:

"Authority" means the New Jersey Economic Development Authority established pursuant to P.L.1974, c.80 (C.34:1B-1 et seq.).

"Board" means the State Economic Recovery Board established pursuant to section 36 of P.L.2002, c.43 (C.52:27BBB-36).

"Chief operating officer" means that person appointed pursuant to P.L.2002, c.43 (C.52:27BBB-1 et al.) responsible for reorganizing governmental operations of a qualified municipality in order to assure the delivery of essential municipal services and the professional administration of that municipal government.

"Commissioner" means the Commissioner of Community Affairs.

"Contiguous with" means within.

"Director" means the Director of the Division of Local Government Services in the Department of Community Affairs.

"Economic recovery term" means the period commencing with the expiration of the term of the chief operating officer and terminating five years thereafter.

"In consultation with" means with consideration of the input of, or the advice of, the mayor, governing body, chief operating officer or director, as the case may be, without regard to the form or manner of the consultation.

"Local Finance Board" means the Local Finance Board of the Division of Local Government Services in the Department of Community Affairs.

"Mayor" means the mayor or chief executive officer of the municipality, as appropriate to the form of government.

"Project" means: (1) (a) acquisition, construction, reconstruction, repair, alteration, improvement and extension of any building, structure, facility, including water transmission facilities or other improvement, whether or not in existence or under construction, (b) purchase and installation of equipment and machinery, (c) acquisition and improvement of real estate and the extension or provision of utilities, access roads and other appurtenant facilities; and (2) (a) the acquisition, financing, or refinancing of inventory, raw materials, supplies, work in process, or stock in trade, or (b) the financing, refinancing or consolidation of secured or unsecured debt, borrowings, or obligations, or (c) the provision of financing for any other expense incurred in the ordinary course of business; all of which are to be used or occupied by any person in any enterprise promoting employment, either for the manufacturing, processing or assembly of materials or products, or for research or office purposes, including, but not limited to, medical and other professional facilities, or for industrial, recreational, hotel or motel facilities, public utility and warehousing, or for commercial and service purposes, including, but not limited to, retail outlets, retail shopping centers, restaurant and retail food outlets, and any and all other employment promoting enterprises, including, but not limited to, motion picture and television studios and facilities and commercial fishing facilities, commercial facilities for recreational fishermen, fishing vessels, aquaculture facilities and marketing facilities for fish and fish products and (d) acquisition of an equity interest in, including capital stock of, any corporation; or any combination of the above, which the authority determines will: (i) tend to maintain or provide gainful employment opportunities within and for the people of the State, or (ii) aid, assist and encourage the economic development or redevelopment of any political subdivision of the State, or (iii) maintain or increase the tax base of the State or of any political subdivision of the State, or (iv) maintain or diversify and expand employment promoting enterprises within the State; and (3) the cost of acquisition, construction, reconstruction, repair, alteration, improvement and extension of an energy saving improvement or pollution control project which the authority determines will tend to reduce the consumption in a building devoted to industrial or commercial purposes, or in an office building, of nonrenewable sources of energy or to reduce, abate or prevent environmental pollution within the State; and (4) the acquisition, construction, reconstruction, repair, alteration, improvement, extension, development, financing or refinancing of infrastructure and transportation facilities or improvements related to economic development and of cultural, recreational and tourism facilities or improvements related to economic development and of capital facilities for primary and secondary schools and of mixed use projects consisting of housing and commercial development; and (5) the establishment, acquisition, construction, rehabilitation, improvement, and ownership of port facilities as defined in section 3 of P.L.1997, c.150 (C.34:1B-146). Project may also include: reimbursement to any person for costs in connection with any project, or the refinancing of any project or portion thereof, if such actions are determined by the authority to be necessary and in the public interest to maintain employment and the tax base of any political subdivision and likely to facilitate improvements or the completion of the project; and developing property and any construction, reconstruction, improvement, alteration, equipment or maintenance or repair, or planning and designing in connection therewith. For the purpose of carrying out mixed use projects consisting of both housing and commercial development, the authority may enter into agreements with the New Jersey Housing and Mortgage Finance Agency for loan guarantees for any such project in accordance with the provisions of P.L.1995, c.359 (C.55:14K-64 et al.), and for that purpose shall allocate to the New Jersey Housing and Mortgage Finance Agency, under such agreements, funding available pursuant to subsection a. of section 4 of P.L.1992, c.16 (C.34:1B-7.13). "Project" shall not include a school facilities project.

"Qualified municipality" means a municipality: (1) that has been subject to the supervision of a financial review board pursuant to the "Special Municipal Aid Act," P.L.1987, c.75 (C.52:27D-118.24 et seq.) for at least one year; (2) that has been subject to the supervision of the Local Finance Board pursuant to the "Local Government Supervision Act (1947)," P.L.1947,

c.151 (C.52:27BB-1 et seq.) for at least one year; and (3) which, according to its most recently adopted municipal budget, is dependent upon State aid and other State revenues for not less than 55 percent of its total budget.

"Regional Impact Council" or "council" means that body established pursuant to section 39 of P.L.2002, c.43 (C.52:27BBB-39).

"Rehabilitation term" means that period during which the qualified municipality is under the direction of the chief operating officer appointed pursuant to section 7 of P.L.2002, c.43 (C.52:27BBB-7).

"Special arbitrator" means that judge designated by the Chief Justice pursuant to section 5 of P.L.2002, c.43 (C.52:27BBB-5).

"State supervision" means supervision pursuant to Article 4 of the "Local Government Supervision Act (1947)," P.L.1947, c.151 (C.52:27BB-54 et seq.).

"Treasurer" or "State treasurer" means the Treasurer of the State of New Jersey.

"Under rehabilitation and economic recovery" means that period which coincides with the rehabilitation term and the economic recovery term.

(cf: P.L.2002, c.43, s.3)

4. Section 4 of P.L.2002, c.43 (C.52:27BBB-4) is amended to read as follows:

C.52:27BBB-4 Notification to qualified municipality.

4. Within 30 days of the effective date of P.L.2002, c.43 (C.52:27BBB-1 et al.), and thereafter within 30 days of the deadline for the adoption of municipal budgets pursuant to the "Local Budget Law," N.J.S.40A:4-1 for each calendar or State fiscal year, as appropriate to the budget adoption schedule, the commissioner shall make a determination regarding which municipalities fulfill the definition of a qualified municipality pursuant to P.L.2002, c.108 (C.52:27BBB-2.1 et al) and shall notify the Governor, the State Treasurer, the mayor and each member of the governing body of each qualified municipality that the municipality is subject to the provisions of the "Municipal Rehabilitation and Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.). The date of the notification shall be considered the date a municipality is designated as a qualified municipality. In addition, the commissioner shall notify:

a. the county executive, county manager, the freeholder director or chairperson, as appropriate to the form of government, and each member of the board of chosen freeholders of each county in which is situated a qualified municipality;

b. the Chief Justice of the New Jersey Supreme Court;

c. each member of the Senate and General Assembly; and

d. the Commissioner of Education. If the commissioner determines that any school district which is contiguous with the qualified municipality is subject to level II or level III monitoring pursuant to section 14 of P.L.1975, c.212 (C.18A:7A-14), the commissioner shall forthwith notify the Governor and the board of education of the school district that the school district is subject to the provisions of sections 67 and 68 of P.L.2002, c.43 (C.52:27BBB-63 and 64).

Any designation of a qualified municipality made pursuant to P.L.2002, c.43 (C.52:27BBB-1 et seq.) prior to the enactment of P.L.2002, c.108 (C.52:27BBB-2.1 et al) is continued.

5. Section 6 of P.L.2002, c.43 (C.52:27BBB-6) is amended to read as follows:

C.52:27BBB-6 Municipality deemed under rehabilitation and economic recovery; term.

6. a. Upon the appointment of a chief operating officer pursuant to section 7 of P.L.2002, c.43 (C.52:27BBB-7), a qualified municipality shall be under rehabilitation and economic recovery. This period shall begin with the assumption of job responsibilities by the chief operating officer pursuant to this section and terminate five years following the end of the term of the chief operating officer. The period corresponding with the term of the chief operating officer shall be referred to hereinafter as the rehabilitation term. The period commencing with the expiration of the term of the chief operating officer and terminating five years thereafter shall be referred to hereinafter as the economic recovery term.

b. During the economic recovery term, the mayor shall exercise those powers delegated to

the mayor pursuant to the form of government, the charter and the administrative code of the municipality, and those powers delegated to the mayor under general law. In addition, during the economic recovery term, the mayor shall retain the power to veto the minutes of any independent board or authority, including, but not limited to, the housing authority, parking authority, redevelopment authority, planning board and board of adjustment.

While the municipality is under rehabilitation and economic recovery, the mayor shall retain the power to make those appointments to municipal authorities, boards or commissions, as the case may be, which is otherwise allocated to the mayor pursuant to law.

The mayor may retain staff for the purpose of advising the mayor and aiding in the performance of constituent services.

c. Upon the assumption of job responsibilities by the chief operating officer, the financial review board created pursuant to section 5 of P.L.1999, c.156 (C.52:27D-118.30a) to oversee the finances of the municipality shall cease to function and the municipality shall cease to be under supervision pursuant to Article 4 of P.L.1947, c.151 (C.52:27BB-54 et seq.).

All outstanding debts or obligations incurred by a qualified municipality or the New Jersey Housing and Mortgage Finance Agency established pursuant to section 4 of the "New Jersey Housing and Mortgage Finance Agency Law of 1983," P.L.1983, c.530 (C.55:14K-4) and secured by a right of first refusal on municipally-owned property as of 10 days following a determination by the commissioner that the municipality fulfills the definition of a qualified municipality pursuant to section 4 of P.L.2002, c.43 (C.52:27BBB-4), with any subsidiary of that agency with jurisdiction in a qualified municipality, other than those debts or obligations represented by bonds or other negotiable instruments, are forgiven.

Notwithstanding the termination of the financial review board and supervision, all memorandums of understanding entered into by the municipality as a condition of receiving assistance under P.L.1987, c.75 (C.52:27D-118.24 et seq.) that require the municipality to implement any government, administrative, operational efficiency or oversight measures necessary for the fiscal recovery of the municipality as recommended by the director and approved by the Local Finance Board shall continue to have full force and effect.

6. Section 7 of P.L.2002, c.43 (C.52:27BBB-7) is amended to read as follows:

C.52:27BBB-7 Appointment of chief operating officer; terms.

7. a. Upon receiving notification by the Commissioner of Community Affairs pursuant to section 4 of P.L.2002, c.43 (C.52:27BBB-4), the Governor shall appoint the chief operating officer in consultation with the mayor and the governing body. The chief operating officer shall serve at the pleasure of the Governor. The chief operating officer shall be qualified by training and experience for the position and shall have at least 10 years of experience in the management or supervision of government activities, three years of which may be substituted by an advanced degree in business, law, or public administration.

b. Pending the appointment of a chief operating officer or, in the event of the death, resignation, removal or inability of the chief operating officer to discharge the duties of that office, the functions, powers and duties of the chief operating officer shall devolve upon the director, for the time being, until a chief operating officer is appointed or is able to discharge the duties of that office. In the event that the chief operating officer does not serve out the chief operating officer's term of office for any reason, a successor shall be chosen by the Governor.

c. The term of the chief operating officer shall terminate five years following the assumption of duties on the part of the chief operating officer. The chief operating officer may be hired as a State employee in the unclassified service of Title 11A, Civil Service, of the New Jersey Statutes or may be hired under contract, as provided hereunder. Notwithstanding any other provision of law, no person so appointed shall acquire tenure.

If the chief operating officer is hired under contract, the person hired shall meet the qualifications set forth herein, and it shall be clear from the contract that the position is full-time and that the job site shall be at the principal offices of the municipality. If, for any reason, a person engaged under contract is unable to fulfill the job responsibilities of chief operating officer, the selection process shall be recommenced in accordance with the provisions of this

section.

If the chief operating officer is hired under contract, the contract shall be available for public inspection in the office of the municipal clerk.

d. Subject to the approval of the commissioner, the salary, benefits and costs of the chief operating officer shall be fixed by the board and adjusted from time to time as the board deems appropriate. The salary level and benefits shall be comparable to that of the director of any public authority or agency with jurisdiction in the qualified municipality. The salary, benefits, and costs of the chief operating officer shall be an expense of the State.

7. Section 36 of P.L.2002, c.43 (C.52:27BBB-36) is amended to read as follows:

C.52:27BBB-36 State Economic Recovery board created for qualified municipality.

36. a. In order to facilitate the rehabilitation and economic recovery of each qualified municipality, there is created a subsidiary corporation of the New Jersey Economic Development Authority, which shall be known as the State Economic Recovery Board for (insert name of qualified municipality). The board shall operate for the period during which the municipality is under rehabilitation and economic recovery and for a period of two years thereafter. Any outstanding debts or obligations which remain at the termination of board operation shall be assumed by the authority and any accounts payable to the board shall be due and payable to the authority.

b. The board shall consist of 15 voting members, as follows: the mayor of the qualified municipality; a representative of the municipal governing body selected by the governing body; the chief operating officer; the State Treasurer; the Commissioner of Community Affairs; the chairperson of the authority; a representative of the regional impact council selected by the council; the director of the board of chosen freeholders of the county in which the qualified municipality is situated, as provided hereunder, all of whom shall serve ex officio and may select a designee to serve in their stead; one public member chosen by the Governor, based on the recommendation of the Senate President and one public member chosen by the Governor, based on the recommendation of the Assembly Speaker; and five public members to be appointed by the Governor, to include one representative of organized labor and one representing the business community. Of the public members appointed by the Governor, at least three shall be municipal residents. The board shall include two nonvoting ex officio legislative members to be chosen by the Governor, one of whom shall be selected based on the recommendation of the Senate President and the other upon the recommendation of the Speaker of the General Assembly. These members shall be advisory members, appointed solely for the purpose of developing and facilitating legislation to assist the board in fulfilling its statutory mission, and may not exercise any of the executive powers delegated to the board. In addition, the Senior Community Builder in the State office of the federal Department of Housing and Urban Development shall serve as an ex officio, non-voting member of the board.

A majority of the entire authorized voting membership of the board shall constitute a quorum at any meeting thereof.

c. Each public member shall serve for a term of five years. Vacancies in the public membership of the board shall be filled in the same manner as the original appointments are made and a member may be eligible for reappointment. Vacancies occurring other than by expiration of a term shall be filled for the unexpired term. Each ex officio member shall serve for the period during which the municipality is under rehabilitation and economic recovery and for a period of two years thereafter.

The Governor shall designate the chairperson of the board.

d. The board shall be appointed as expeditiously as possible upon the determination by the commissioner that the municipality fulfills the definition of a qualified municipality pursuant to section 4 of P.L.2002, c.43 (C.52:27BBB-4) and shall convene not later than 30 days following that determination for its organizational meeting. Thereafter, the board shall meet regularly and on not less than a quarterly basis. At its first organizational meeting, the board shall appoint one of the public members to serve as its designee on the New Jersey Economic Development Authority pursuant to section 4 of P.L.1974, C.80 as amended by section 69 of P.L.2002, c.43

(C.34:1B-4).

e. The voting authority of the director of the county board of chosen freeholders shall not become effective until the filing with the Secretary of State of an agreement entered into by the chief operating officer, acting on behalf of the municipality, and the county, detailing the financial commitment of the county to the redevelopment of the infrastructure of the municipality which shall include improvements or other economic benefits totalling not less than \$20 million and a proposed construction schedule for the completion thereof.

8. Section 39 of P.L.2002, c.43 (C.52:27BBB-39) is amended to read as follows:

C.52:27BBB-39 Regional impact council.

39. a. There is established for each qualified municipality a regional impact council to serve for that period during which the municipality is under rehabilitation and economic recovery. The council shall consist of: the mayor of the qualified municipality or his or her designee; the mayor of any municipality in the county in which the qualified municipality is situated which on or before the determination by the commissioner that the municipality fulfills the definition of a qualified municipality pursuant to section 4 of P.L.2002, c.43 (C.52:27BBB-4) has participated in a regional collaborative established to further the strategic revitalization of the qualified municipality or the mayor's designee; the director of the board of chosen freeholders of the county in which the qualified municipality is situated or his or her designee; the director of the Office of State Planning or his or her designee; one representative of the New Jersey Regional Coalition, to be appointed as provided hereinafter; and four public members, two of whom shall be appointed by the Governor, one of whom shall be appointed by the Senate President and one of whom shall be appointed by the Speaker of the General Assembly. In the event that a regional collaborative has not been established in the county in which the qualified municipality is situated, the regional impact council shall include the mayor of each municipality that borders on the qualified municipality. The four public members shall include at least one member of the faith-based community within the region; one member of the business community; one member of the higher education community; and one member of the labor community within the region.

b. Within 30 days of a determination by the commissioner that a municipality fulfills the definition of a qualified municipality pursuant to section 4 of P.L.2002, c.43 (C.52:27BBB-4), the New Jersey Regional Coalition shall submit to the Governor three nominees for consideration, from which the Governor may choose. If the organization does not submit three nominees for consideration at any time required, the Governor may appoint a member of the Governor's choice.

c. No member of the council shall receive a salary for service on the council but shall be reimbursed for reasonable and necessary expenses associated with serving on the council.

d. A majority of the members of the council shall choose one of the members to serve as the chair. Each member of the council shall serve for a two-year term and, upon expiration of that term, may be reappointed. Vacancies among the membership shall be filled in the same manner in which the original appointment was made.

e. The council shall select an appropriate location or locations in which to meet. The council may adopt its own bylaws and procedures that are not inconsistent with P.L.2002, c.43 (C.52:27BBB-1 et al.).

f. The council shall be eligible for and may employ a consultant and such staff as it deems necessary, to the extent that funds are made available pursuant to P.L.2002, c.43 (C.52:27BBB-1 et al.) or other sources. The council may call upon the commissioner for such assistance as it deems necessary.

g. The council may hold public hearings at the call of the chair and pursuant to the "Open Public Meetings Act," P.L.1975, c.231 (C.10:4-6 et seq.).

9. Section 45 of P.L.2002, c.43 (C.52:27BBB-44) is amended to read as follows:

C.52:27BBB-44 Project list.

45. a. The board shall prepare and submit a project list, as provided hereunder. The list shall be consistent with the strategic revitalization plan and capital improvement and infrastructure plans for the qualified municipality to the extent practicable and shall include a series of projects which are prioritized according to their importance in revitalizing the qualified municipality.

Following a determination by the commissioner that a municipality fulfills the definition of a qualified municipality pursuant to section 4 of P.L.2002, c.43 (C.52:27BBB-4) and the preparation of the plans mentioned above, the capital and infrastructure needs shall be assessed and projects shall be anticipated over a three-year period. The bond moneys authorized to be issued pursuant to section 47 of P.L.2002, c.43 (C.52:27BBB-46) shall be expended over a three-year period.

The board shall adopt each project list by a majority of those members present. In the event that the board selects to rescind a project from the list, such a vote shall be by a two-thirds vote of the fully authorized membership thereof.

Each project list shall be submitted to the Commission on Capital Budgeting and Planning, the Chairperson of the Senate Appropriations Committee and the Chairperson of the Assembly Appropriations Committee, or their successors, and the Legislative Budget and Finance Officer, on or before March 1 of each year.

b. The President of the Senate and the Speaker of the General Assembly shall cause the date of submission of the project list to be entered upon the Senate Journal and the Minutes of the General Assembly.

c. On or before March 1 of each year, the board shall submit a report of general project categories and proposed projects thereunder to be financed in the ensuing fiscal year, including therewith a description of the projects, the county or counties within which they are to be located, a distinction between State, local and private projects, and the amount estimated to be expended on each project. This report shall be known as the "Annual Qualified Municipality Capital and Economic Recovery Program" for the upcoming fiscal year. The program shall be consistent with, and reflective of, the goals and priorities of the Strategic Revitalization Plan, capital improvement and infrastructure plan, and the program shall include an explanation which demonstrates how it is consistent with, and reflective of, the goals and priorities.

d. On or before August 1 of each year, the board shall also submit a "Qualified Municipality Capital and Economic Recovery Financial Plan" designed to implement the financing of the proposed projects. The financial plan shall contain an enumeration of the bonds, notes or other obligations of the authority which the authority intends to issue, including the amounts thereof and the conditions therefor.

In addition, the plan shall contain proposed amounts to be appropriated and expended, as well as amounts for which the authority anticipates to obligate during the ensuing fiscal year for any future expenditures.

10. Section 54 of P.L.2002, c.43 (C.52:27BBB-53) is amended to read as follows:

C.52:27BBB-53 Definitions relative to open for business incentives.

54. As used in this section and section 55 of P.L.2002, c.43 (C.52:27BBB-54):

a. "Business facility" means any factory, mill, plant, refinery, warehouse, building, complex of buildings or structural components of buildings, and all machinery, equipment and personal property located within a qualified municipality, used in connection with the operation of the business of a corporation that is subject to the tax imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5), and all facility preparation and start-up costs of the taxpayer for the business facility which it capitalizes for federal income tax purposes.

b. "Business relocation or business expansion property" means improvements to real property and tangible personal property, but only if that improvement or personal property is constructed or purchased and placed in service or use by the taxpayer, for use as a component part of a new or expanded business facility located in a qualified municipality.

(1) Business relocation or business expansion property shall include only:

(a) improvements to real property placed in service or use as a business facility by the taxpayer on or after the notification of the Governor by the commissioner pursuant to section

4 of P.L.2002, c.43 (C.52:27BBB-4) that the municipality in which the property is situated fulfills the definition of a qualified municipality;

(b) tangible personal property placed in service or use by the taxpayer on or after the notification of the Governor by the commissioner pursuant to section 4 of P.L.2002, c.43 (C.52:27BBB-4) that the municipality in which the property is situated fulfills the definition of a qualified municipality, with respect to which depreciation, or amortization in lieu of depreciation, is allowable in determining the corporation business tax liability of the taxpayer under P.L.1945, c.162, and which has a remaining recovery period of three or more years at the time the property is placed in service or use in a qualified municipality; or

(c) tangible personal property owned and used by the taxpayer at a business location outside a qualified municipality which is moved into a qualified municipality on or after the notification of the Governor by the commissioner pursuant to section 4 of P.L.2002, c.43 (C.52:27BBB-4) that the municipality in which the property is situated fulfills the definition of a qualified municipality, for use as a component part of a new or expanded business facility located in the qualified municipality; provided that the property is depreciable or amortizable personal property for income tax purposes, and has a remaining recovery period of three or more years at the time the property is placed in service or use in a qualified municipality.

(2) Property purchased for business relocation or expansion shall not include:

(a) repair costs, including materials used in the repair, unless for federal income tax purposes, the cost of the repair must be capitalized and not expensed;

(b) airplanes;

(c) property which is primarily used outside a qualified municipality with that use being determined based upon the amount of time the property is actually used both within and without the qualified municipality;

(d) property which is acquired incident to the purchase of the stock or assets of the seller.

(3) Property shall be deemed to have been purchased prior to a specified date only if:

(a) the physical construction, reconstruction or erection of the property was begun prior to the specified date, or such property was constructed, reconstructed, erected or acquired pursuant to a written contract as existing and binding on the purchase prior to the specified date; or

(b) the machinery or equipment was owned by the taxpayer prior to the specified date, or was acquired by the taxpayer pursuant to a binding purchase contract which was in effect prior to the specified date.

c. "Business relocation or expansion" means capital investment in a new or expanded business facility in a qualified municipality.

d. "Controlled group" means one or more chains of corporations connected through stock ownership with a common parent corporation if stock possessing at least 50% of the voting power of all classes of stock of each of the corporations is owned directly or indirectly by one or more of the corporations; and the common parent owns directly stock possessing at least 50% of the voting power of all classes of stock of at least one of the other corporations.

e. "Director" means the Director of the Division of Taxation in the Department of the Treasury.

f. "Expanded business facility" means any business facility, other than a new business facility, resulting from acquisition, construction, reconstruction, installation or erection of improvements or additions to existing property if such improvements or additions are purchased on or after the effective date of rehabilitation and economic recovery.

g. "Incentive payment" means: the amount of tax owed by a taxpayer for a privilege period, as computed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5), multiplied by a fraction, the numerator of which is the average value of the taxpayer's business relocation or business expansion property within a qualified municipality during the period covered by its report, and the denominator of which is the average value of all the taxpayer's real and tangible personal property in New Jersey during such period which result is multiplied by 96 percent; provided, however, that for the purpose of determining average value, the provisions with respect to depreciation as set forth in subparagraph (F) of paragraph (2) of subsection (k) of section 4 of P.L.1945, c.162 (C.54:10A-4) shall be taken into account for arriving at such value; and provided further that incentive payments shall be made for a period not to exceed 10 years,

commencing on the date of a taxpayer's first acquisition of business relocation or business expansion property in the qualified municipality following the notification of the Governor by the commissioner pursuant to section 4 of P.L.2002, c.43 (C.52:27BBB-4) that the municipality in which the property is situated fulfills the definition of a qualified municipality.

h. "New business facility" means a business facility which:

(1) is employed by a taxpayer in the conduct of a business which is or will be taxable under P.L.1945, c.162 (C.54:10A-1 et seq.). A business facility shall not be considered a new business facility in the hands of a taxpayer if the taxpayer's only activity with respect to the facility is to lease it to another person;

(2) is purchased by a taxpayer and is placed in service or use on or after the effective date of rehabilitation and economic recovery;

(3) was not purchased by a taxpayer from a related person; and

(4) was not in service or use during the 90-day period immediately prior to transfer of the title to the facility.

i. "Partnership" means a syndicate, group, pool, joint venture or other unincorporated organization through or by means of which any business, financial operation or venture is carried on, and which is not a trust or estate, a corporation or a sole proprietorship. The term "partner" includes a member in such a syndicate, group, pool, joint venture or organization.

j. "Purchase" means, with respect to the determination of whether business relocation or business expansion property was purchased, any acquisition of property, including an acquisition pursuant to a lease, but only if:

(1) the property is not acquired from a person whose relationship to the person acquiring it would result in the disallowance of deductions under section 267 or subsection (b) of section 707 of the federal Internal Revenue Code of 1986, 26 U.S.C.s.267 or s.707;

(2) the property is not acquired by one member of a controlled group from another member of the same controlled group; and

(3) the basis of the property for federal income tax purposes, in the hands of the person acquiring it, is not determined:

(a) in whole or in part by reference to the federal adjusted basis of such property in the hands of the person from whom it was acquired; or

(b) under subsection (e) of section 1014 of the federal Internal Revenue Code of 1986, 26 U.S.C. s.1014.

k. "Related person" means:

(1) a corporation, partnership, association or trust controlled by the taxpayer;

(2) an individual, corporation, partnership, association or trust that is in control of the taxpayer;

(3) a corporation, partnership, association or trust controlled by an individual, corporation, partnership, association or trust that is in control of the taxpayer; or

(4) a member of the same controlled group as the taxpayer.

11. Section 60 of P.L.2002, c.43 (C.52:27BBB-58) is amended to read as follows:

C.52:27BBB-58 Affirmative action program on EDA projects.

60. In order to fulfill its obligation to establish an affirmative action program for the hiring of minority and female workers employed in the performance of construction contracts undertaken in connection with a project undertaken or financed by the authority pursuant to P.L.2002, c.43 (C.52:27BBB-1 et al.) in a qualified municipality, the authority shall comply with all requirements for pre-apprenticeship and apprenticeship applicable to the authority in that qualified municipality on or after the determination by the commissioner that the municipality fulfills the definition of a qualified municipality pursuant to section 4 of P.L.2002, c.43 (C.52:27BBB-4).

12. Section 66 of P.L.2002, c.43 (C.52:27BBB-62) is amended to read as follows:

C.52:27BBB-62 Moratorium on regional contribution agreements.

66. Upon the date upon which the commissioner determines that the municipality fulfills the definition of a qualified municipality pursuant to section 4 of P.L.2002, c.43 (C.52:27BBB-4) and during the rehabilitation term, there shall be a moratorium on regional contribution agreements pursuant to P.L.1985, c.222 (C.52:27D-301 et al.) in any qualified municipality.

13. Section 67 of P.L.2002, c.43 (C.52:27BBB-63) is amended to read as follows:

C.52:27BBB-63 Membership of board of education in qualified municipality increased; appointments; terms.

67. a. The membership of the board of education serving in a school district which is contiguous with a qualified municipality and which is subject to level II monitoring or level III monitoring pursuant to section 14 of P.L.1975, c.212 (C.18A:7A-14) shall be increased as set forth in this section in order to ensure the State's and the municipality's ability to participate in the activities of the board. Board members appointed by the Governor or mayor shall be voting members of the board and shall have all the rights, powers and privileges of a member of the board. Members appointed by the Governor or mayor shall serve at the pleasure of the Governor or mayor, as appropriate. Any vacancy in the membership appointed by the Governor or mayor shall be filled in the same manner as the original appointment, but for the unexpired term only. The first members appointed by the Governor shall serve for a term commencing upon appointment and qualification and ending three years from the date that the number of members of the board returns to the number on the board prior to the designation of the qualified municipality. Members appointed thereafter shall serve for a term of three years as provided in this section.

In order to ensure substantial local representation on any such board, in no case shall the number of the positions appointed by the mayor and elected by the voters, combined, constitute less than a majority of the total positions on the board. This section shall not apply to State-operated school districts established pursuant to P.L.1987, c.399 (C. 18A:7A-34 et seq.).

b. The membership of a type I board of education in a qualified municipality consisting of five members shall be temporarily increased to include two additional members to be appointed by the Governor upon receipt of notification by the Commissioner of Education pursuant to section 4 of P.L.2002, c.43 (C.52:27BBB-4) for a term of three years, as set forth in subsection a. of this section. The first two positions on the board, the terms of which expire after the designation of a qualified municipality, shall be abolished upon expiration of their terms and shall not be filled by mayoral appointments so that the total membership of the board returns to five members. The Governor shall continue to make appointments to fill the positions held by the gubernatorial appointees, when their terms expire or when a vacancy occurs, until after the tenth year following the designation of the qualified municipality. Beginning in the first year following the tenth year after the designation of the qualified municipality, vacancies resulting from the expiration of a term, or for any other reason, in any position on the board filled by gubernatorial appointment shall be filled in the same manner as provided before the designation of the qualified municipality.

c. The membership of a type I board of education in a qualified municipality consisting of seven members shall be temporarily increased to include three additional members to be appointed by the Governor upon receipt of notification by the Commissioner of Education pursuant to section 4 of P.L.2002, c.43 (C.52:27BBB-4) for a term of three years, as set forth in subsection a. of this section. The first three positions on the board, the terms of which expire after the designation of a qualified municipality, shall be abolished upon expiration of their terms and shall not be filled by mayoral appointments so that the total membership of the board returns to seven members. The Governor shall continue to make appointments to fill the positions held by gubernatorial appointees, when their terms expire or when a vacancy occurs, until after the tenth year following the designation of the qualified municipality. Beginning in the first year following the tenth year after the designation of the qualified municipality, vacancies resulting from the expiration of a term, or for any other reason, in any position on the board filled by gubernatorial appointment shall be filled in the same manner as provided before the designation of the qualified municipality.

d. The membership of a type I board of education in a qualified municipality consisting of nine members shall be temporarily increased to include three additional members to be appointed by the Governor upon receipt of notification by the Commissioner of Education pursuant to section 4 of P.L.2002, c.43 (C.52:27BBB-4) for a term of three years as set forth in subsection a. of this section. The first three positions on the board, the terms of which expire after the designation of a qualified municipality, shall be abolished upon expiration of their terms and shall not be filled by mayoral appointments so that the total membership of the board returns to nine members. The Governor shall continue to make appointments to fill the positions held by gubernatorial appointees, when their terms expire or when a vacancy occurs, until after the tenth year following the designation of the qualified municipality. Beginning in the first year following the tenth year after the designation of the qualified municipality, vacancies resulting from the expiration of a term, or for any other reason, in any position on the board filled by gubernatorial appointment shall be filled in the same manner as provided before the designation of the qualified municipality.

e. The membership of a type II board of education in a qualified municipality consisting of three members shall be temporarily increased to include one additional member to be appointed by the Governor upon receipt of notification by the Commissioner of Education pursuant to section 4 of P.L.2002, c.43 (C.52:27BBB-4) for a term of three years as set forth in subsection a. of this section. The first position on the board, the term of which expires after the designation of a qualified municipality, shall be abolished upon expiration of its term and shall not be filled in the same manner as provided before the designation of the qualified municipality so that the total membership of the board returns to three members. The Governor shall continue to make appointments to fill the position held by a gubernatorial appointee when the term expires or when a vacancy occurs, until after the tenth year following the designation of the qualified municipality. Beginning in the first year following the tenth year after the designation of the qualified municipality, a vacancy resulting from the expiration of the term in the position on the board filled by gubernatorial appointment shall be filled in the same manner as provided before the designation of the qualified municipality.

The second position on the board, the term of which expires after the designation of a qualified municipality, shall be abolished upon expiration of its term and shall not be filled in the same manner as provided before the designation of the qualified municipality. Instead, the vacancy shall be filled by a mayoral appointment as described in subsection a. of this section so that the total membership of the board remains at three. Mayoral appointees shall serve for a term of three years. The mayor shall continue to make appointments to fill the position held by a mayoral appointee when the term expires or when a vacancy occurs, until after the tenth year following the designation of the qualified municipality. Beginning in the first year following the tenth year after the designation of the qualified municipality, a vacancy resulting from the expiration of the term in the position on the board filled by mayoral appointment shall be filled in the same manner as provided before the designation of the qualified municipality.

f. The membership of a type II board of education in a qualified municipality consisting of five members shall be temporarily increased to include two additional members to be appointed by the Governor upon receipt of notification by the Commissioner of Education pursuant to section 4 of P.L.2002, c.43 (C.52:27BBB-4) for a term of three years as set forth in subsection a. of this section. The first two positions on the board, the terms of which expire after the designation of a qualified municipality, shall be abolished upon expiration of their terms and shall not be filled in the same manner as provided before the designation of the qualified municipality so that the total membership of the board returns to five members. The Governor shall continue to make appointments to fill the positions held by gubernatorial appointees when the terms expire or when a vacancy occurs, until after the tenth year following the designation of the qualified municipality. Beginning in the first year following the tenth year after the designation of the qualified municipality, vacancies resulting from the expiration of a term in any position on the board filled by gubernatorial appointment shall be filled in the same manner as provided before the designation of the qualified municipality.

The third position on the board, the term of which expires after the designation of a qualified municipality, shall be abolished upon expiration of its term and shall not be filled in the same

manner as provided before the designation of the qualified municipality. Instead, the vacancy shall be filled by a mayoral appointment as described in subsection a. of this section so that the total membership of the board remains at five. Mayoral appointees shall serve for a term of three years. The mayor shall continue to make appointments to fill the position held by a mayoral appointee when the term expires or when a vacancy occurs, until after the tenth year following the designation of the qualified municipality. Beginning in the first year following the tenth year after the designation of the qualified municipality, a vacancy resulting from the expiration of the term in the position on the board filled by mayoral appointment shall be filled in the same manner as provided before the designation of the qualified municipality.

g. The membership of a type II board of education in a qualified municipality consisting of seven members shall be temporarily increased to include three additional members to be appointed by the Governor upon receipt of notification by the Commissioner of Education pursuant to section 4 of P.L.2002, c.43 (C.52:27BBB-4) for a term of three years as set forth in subsection a. of this section. The first three positions on the board, the terms of which expire after the designation of a qualified municipality, shall be abolished upon expiration of their terms and shall not be filled in the same manner as provided before the designation of the qualified municipality so that the total membership of the board returns to seven members. The Governor shall continue to make appointments to fill the positions held by gubernatorial appointees when the terms expire or when a vacancy occurs, until after the tenth year following the designation of the qualified municipality. Beginning in the first year following the tenth year after the designation of the qualified municipality, vacancies resulting from the expiration of a term in any position on the board filled by gubernatorial appointment shall be filled in the same manner as provided before the designation of the qualified municipality.

The fourth and fifth positions on the board, the terms of which expire after the designation of a qualified municipality, shall be abolished upon expiration of their terms and shall not be filled in the same manner as provided before the designation of the qualified municipality. Instead, the vacancies shall be filled by mayoral appointments as described in subsection a. of this section so that the total membership of the board remains at seven. Mayoral appointees shall serve for a term of three years. The mayor shall continue to make appointments to fill the positions held by mayoral appointees when the terms expire or when a vacancy occurs, until after the tenth year following the designation of the qualified municipality. Beginning in the first year following the tenth year after the designation of the qualified municipality, vacancies resulting from the expiration of a term in any position on the board filled by mayoral appointment shall be filled in the same manner as provided before the designation of the qualified municipality.

h. The membership of a type II board of education in a qualified municipality consisting of nine members shall be temporarily increased to include three additional members to be appointed by the Governor upon receipt of notification by the Commissioner of Education pursuant to section 4 of P.L.2002, c.43 (C.52:27BBB-4) for a term of three years as set forth in subsection a. of this section. The first three positions on the board, the terms of which expire after the designation of a qualified municipality, shall be abolished upon expiration of their terms and shall not be filled in the same manner as provided before the designation of the qualified municipality so that the total membership of the board returns to nine members. The Governor shall continue to make appointments to fill the positions held by gubernatorial appointees when the terms expire or when a vacancy occurs, until after the tenth year following the designation of the qualified municipality. Beginning in the first year following the tenth year after the designation of the qualified municipality, vacancies resulting from the expiration of a term in any position on the board filled by gubernatorial appointment shall be filled in the same manner as provided before the designation of the qualified municipality.

The fourth, fifth and sixth positions on the board, the terms of which expire after the designation of a qualified municipality, shall be abolished upon expiration of their terms and shall not be filled in the same manner as provided before the designation of the qualified municipality. Instead, the vacancies shall be filled by mayoral appointment as described in subsection a. of this section so that the total membership of the board remains at nine. Mayoral appointees shall serve for a term of three years. The mayor shall continue to make appointments to fill the positions

held by mayoral appointees when the terms expire or when a vacancy occurs, until after the tenth year following the designation of the qualified municipality. Beginning in the first year following the tenth year after the designation of the qualified municipality, vacancies resulting from the expiration of a term in any position on the board filled by mayoral appointment shall be filled in the same manner as provided before the designation of the qualified municipality.

i. At all times the board of education and its membership shall comply with the requirements of the "Open Public Meetings Act," P.L.1975, c.231 (C.10:4-6 et seq.) and the "School Ethics Act," P.L.1991, c.393 (C.18A:12-21 et seq.), and meet the requirements and qualifications for board membership established pursuant to chapter 12 of Title 18A of the New Jersey Statutes.

14. Section 68 of P.L.2002, c.43 (C.52:27BBB-64) is amended to read as follows:

C.52:27BBB-64 Board of education minutes subject to veto provisions.

68. a. Notwithstanding the provisions of Title 18A or any other law, rule, or regulation to the contrary, the minutes of every meeting of the board of education of a school district contiguous with a qualified municipality subject to level II or level III monitoring and identified by the commissioner pursuant to section 4 of P.L.2002, c.43 (C.52:27BBB-4) shall be subject to the veto provisions set forth in subsection b. of this section. This section shall not apply to State-operated school districts established pursuant to P.L.1987, c.399 (C.18A:7A-34 et seq.).

b. A true copy of the minutes of every meeting of a board of education described in subsection a. of this section shall be forthwith delivered by and under the certification of the secretary thereof to the Governor. No action taken at that meeting of the board of education shall have force or effect until 15 days after a copy of the minutes shall have been so delivered unless during that 15-day period the Governor shall approve those minutes, in which case the action shall become effective upon that approval. If, in the 15-day period, the Governor returns the copy of those minutes with a veto of any action taken by the board of education or any member thereof at that meeting, the action shall be null and void and of no effect.

15. Section 8 of P.L.1983, c.530 (C.55:14K-8) is amended to read as follows:

C.55:14K-8 Eligibility for admission to housing projects; termination of tenancy or interest; excessive income; surcharge; disposition.

8. a. Admission to housing projects constructed, improved or rehabilitated under this act shall be limited to families whose gross aggregate family income at the time of admission does not exceed six times the annual rental or carrying charges, including the value or cost to them of heat, light, water, sewerage, parking facilities and cooking fuel, of the dwellings that may be furnished to such families, or seven times those charges if there are three or more dependents. There may be included in the carrying charges to any family for residence in any mutual housing project constructed, improved or rehabilitated with a loan from the agency an amount equal to 6% of the original cash investment of the family in the mutual housing project and, to the extent authorized by the agency where not included in the carrying charges, the value or cost of repainting the apartment and replacing any fixtures or appliances. Notwithstanding the provisions of this section, no family or individual shall be eligible for admission to any housing project constructed, improved or rehabilitated with a loan from the agency, whose gross aggregate family income exceeds such amount as shall be established from time to time by the agency, by rules or regulations promulgated hereunder; except that with respect to any project financed by an agency loan insured or guaranteed by the United States of America or any agency or instrumentality thereof, the agency may adopt the admission standards for such projects then currently utilized or required by the guarantor or insurer.

The provisions of this subsection shall not apply to any housing project situated in a qualified municipality that is constructed, improved or rehabilitated on or after the date upon which the commissioner determines that the municipality fulfills the definition of a qualified municipality pursuant to section 4 of P.L.2002, c.43 (C.52:27BBB-4).

b. The agency shall by rules and regulations provide for the periodic examination of the income of any person or family residing in any housing project constructed, improved or

rehabilitated with a loan from the agency. If the gross aggregate family income of a family residing in a housing project increases and the ratio to the current rental or carrying charges of the dwelling unit becomes greater than the ratio prescribed for admission in subsection a. of this section but is not more than 25% above the family income so prescribed for admission to the project, the owner or managing agent of the housing project shall permit the family to continue to occupy the unit. The agency or (with the approval of the agency) the housing sponsor of any housing project constructed, improved or rehabilitated with a loan from the agency, may terminate the tenancy or interest of any family residing in the housing project whose gross aggregate family income exceeds by 25% or more the amount prescribed herein and which continues to do so for a period of six months or more; but no tenancy or interest of any such family in any such housing project shall be terminated except upon reasonable notice and opportunity to obtain suitable alternate housing, in accordance with rules and regulations of the agency; and any such family, with the approval of the agency, may be permitted to continue to occupy the unit, subject to payment of a rent or carrying charge surcharge to the housing sponsor in accordance with a schedule of surcharges fixed by the agency. The housing sponsor shall pay the surcharge to the municipality granting tax exemption, but only up to an amount that together with payments made to the municipality in lieu of taxes and for any land taxes equals 25% of the total rents or carrying charges of the housing project for the current and any prior years that the project has been in operation.

The provisions of this subsection shall not apply to any housing project situated in a qualified municipality that is constructed, improved or rehabilitated on or after the date upon which the commissioner determines that the municipality fulfills the definition of a qualified municipality pursuant to section 4 of P.L.2002, c.43 (C.52:27BBB-4).

c. For projects on which the agency has made a loan and financed the loan with the proceeds of bonds issued prior to January 1, 1973, any remainder of the surcharge, or the total surcharge if tax exemption has not been granted, shall be paid into the housing finance fund securing the bonds issued to finance the project for the use of the agency; for projects financed on or after January 1, 1973, any remainder of the surcharge, or the total surcharge if tax exemption has not been granted, shall be paid to the agency.

d. Any family residing in a mutual housing project required to remove from the project because of excessive income as herein provided shall be discharged from liability on any note, bond or other evidence of indebtedness relating thereto and shall be reimbursed, in accordance with the rules of the agency, for all sums paid by the family to the housing sponsor on account of the purchase of stock or debentures as a condition of occupancy or on account of the acquisition of title for such purpose.

The provisions of this subsection shall not apply to any housing project situated in a qualified municipality that is constructed, improved or rehabilitated on or after the date upon which the commissioner determines that the municipality fulfills the definition of a qualified municipality pursuant to section 4 of P.L.2002, c.43 (C.52:27BBB-4).

e. The agency shall establish admission rules and regulations for any housing project financed in whole or in part by loans authorized hereunder which shall provide priority categories for persons displaced by urban renewal projects, highway programs or other public works, persons living in substandard housing, persons and families who, by reason of family income, family size or disabilities, have special needs, elderly persons and families living under conditions violative of minimum health and safety standards.

The provisions of this subsection shall not apply to any housing project situated in a qualified municipality that is constructed, improved or rehabilitated on or after the date upon which the commissioner determines that the municipality fulfills the definition of a qualified municipality pursuant to section 4 of P.L.2002, c.43 (C.52:27BBB-4).

C.52:27BBB-44.1 Preparation of economic stimulus package for qualified municipality.

16. Upon receipt of notification by the commissioner pursuant to section 4 of P.L.2002, c.43 (C.52:27BBB-4), the State Treasurer shall prepare an economic stimulus package designed to foster the revitalization of the qualified municipality and submit those recommendations, along with amounts necessary to achieve those revitalization objectives to the Governor, each member

of the Senate and General Assembly, and each member of the State Economic Recovery Board for the qualified municipality established pursuant to section 36 of P.L.2002, c.43 (C.52:27BBB-36), within 60 days following the appointment of the last member. The economic stimulus package for the first municipality designated following the effective date of P.L.2002, c.43 (C.52:27BBB-1 et seq.) shall consist of those financing arrangements set forth in Article 5 of P.L.2002, c.43 (C.52:27BBB-44 through 52).

17. This act shall take effect immediately and shall be retroactive to June 30, 2002.

Approved December 4, 2002.