

ASSEMBLY, No. 1996

STATE OF NEW JERSEY 217th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2016 SESSION

Sponsored by:

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District 32 (Bergen and Hudson)

Assemblyman VINCENT MAZZEO

District 2 (Atlantic)

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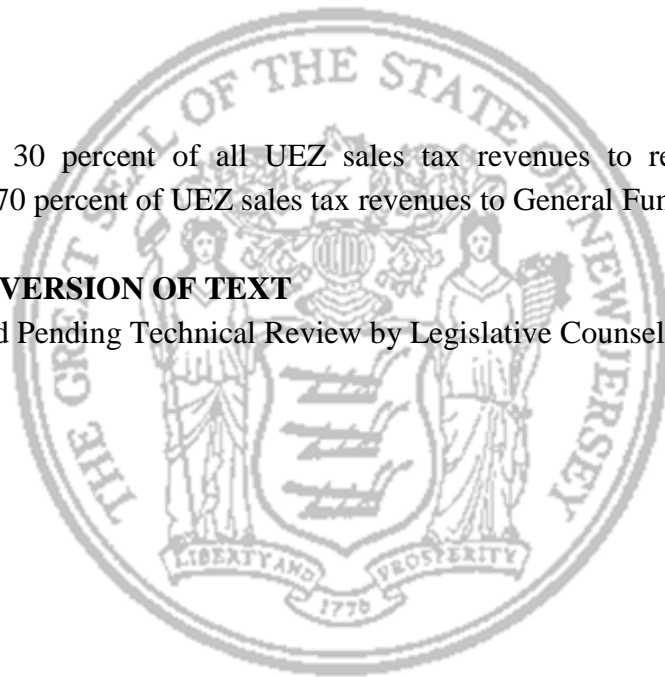
Assemblywoman Spencer, Assemblymen Caputo, Johnson, Gusciora and Chiaravalloti

SYNOPSIS

Dedicates 30 percent of all UEZ sales tax revenues to respective UEZ account and 70 percent of UEZ sales tax revenues to General Fund.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 6/3/2016)

1 AN ACT concerning urban enterprise zone sales tax revenues and
2 amending P.L.2001, c.347 and P.L.1983, c.303.

3

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

6

7 1. Section 11 of P.L.2001, c.347 (C.52:27H-66.6) is amended
8 to read as follows:

9 11. a. Notwithstanding the provisions of any law, rule,
10 regulation or order to the contrary, the designation of an enterprise
11 zone by the authority pursuant to P.L.1983, c.303 [(C.52:27H-60 et
12 seq.)] (C.52:27H-60 et al.), which is located in a municipality in
13 which the annual average of unemployed persons is equal to or
14 greater than 2,000, or the municipal average annual unemployment
15 rate exceeds the State average annual unemployment rate, or an
16 enterprise zone which is located in a municipality contiguous to a
17 municipality in which an enterprise zone is designated pursuant to
18 P.L.1983, c.303 [(C.52:27H-60 et seq.)] (C.52:27H-60 et al.) and
19 in which the annual average of unemployed persons is equal to or
20 greater than 2,000 or the municipal average annual unemployment
21 rate exceeds the State average annual unemployment rate, shall,
22 following the expiration of the third five-year period during which
23 the State shall have collected reduced rate revenues within the zone
24 as provided in subsection c. of section 21 of P.L.1983,
25 c.303 (C.52:27H-80), be extended by the authority, on a one-time
26 basis, for a period of 16 years, within 90 days after the effective
27 date of P.L.2001, c.347 (C.52:27H-66.2 et al.), or within 90 days
28 after the expiration of that third five-year period, whichever is later.

29 b. During the 90-day period provided for in subsection a. of
30 this section, the authority shall notify all qualified businesses in the
31 enterprise zone that the benefits authorized by sections 16 through
32 20 of P.L.1983, c.303 (C.52:27H-75 through C.52:27H-79) shall be
33 extended to qualified businesses in the enterprise zone commencing
34 with the designation of the extended enterprise zone and continuing
35 as long as a zone retains its designation as an extended enterprise
36 zone.

37 c. Notwithstanding any other provisions of any law, rule or
38 regulation to the contrary, 90 days after the expiration of the period
39 provided for in subsection c. of section 21 of P.L.1983,
40 c.303 (C.52:27H-80), except as provided in subsection b. of section
41 6 of P.L.1996, c.124 (C.13:1E-116.6), [and after first depositing
42 10] the Department of the Treasury shall deposit 30 percent of the
43 gross amount of all revenues received from the taxation of retail
44 sales made by certified vendors from business locations in an

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 extended enterprise zone designated pursuant to subsection a. of
2 this section, to which this exemption shall apply, into the account
3 created in the name of the authority in the enterprise zone assistance
4 fund pursuant to section 29 of P.L.1983, c.303 (C.52:27H-88) **[,]**
5 and the remaining **[90]** 70 percent shall be deposited **[immediately]**
6 upon collection by the Department of the Treasury, as follows:

7 (1) In the first five-year period during which the State shall have
8 collected reduced rate revenues within the extended enterprise zone,
9 all such revenues shall be deposited in the enterprise zone
10 assistance fund created pursuant to section 29 of P.L.1983,
11 c.303 (C.52:27H-88);

12 (2) In the second five-year period during which the State shall
13 have collected reduced rate revenues within the extended enterprise
14 zone, 66 2/3% of all those revenues shall be deposited in the
15 enterprise zone assistance fund, and 33 1/3% shall be deposited in
16 the General Fund;

17 (3) In the third five-year period during which the State shall
18 have collected reduced rate revenues within the extended enterprise
19 zone, 33 1/3% of all those revenues shall be deposited in the
20 enterprise zone assistance fund, and 66 2/3% shall be deposited in
21 the General Fund;

22 (4) In the final year during which the State shall have collected
23 reduced rate revenues within the extended enterprise zone, but not
24 to exceed the life of the enterprise zone, all those revenues shall be
25 deposited **]** in the General Fund.

26 The revenues required to be deposited in the enterprise zone
27 assistance fund under this section shall be used for the purposes of
28 **[that]** the assistance fund and for the uses prescribed in section 29
29 of P.L.1983, c.303 (C.52:27H-88), subject to annual appropriations
30 being made for those purposes and uses.

31 d. The designation as an extended enterprise zone pursuant to
32 this section shall terminate if the authority determines that the
33 municipality in which the zone is located fails to meet the criteria of
34 subsection a. of this section for three consecutive years. Any
35 enterprise zone which loses its designation as an extended
36 enterprise zone pursuant to this subsection shall be eligible to re-
37 apply to the authority for designation as an extended enterprise zone
38 pursuant to the provisions of P.L.1983, c.303 **[(C.52:27H-60 et**
39 **seq.)]** (C.52:27H-60 et al.). If the authority approves its
40 application, an urban enterprise zone designation may be extended
41 to the applicant in accordance with the schedules set forth in
42 P.L.1983, c.303 **[(C.52:27H-60 et seq.)]** (C.52:27H-60 et al.),
43 beginning at the point where the enterprise zone was located on
44 **[such]** those schedules on the effective date of P.L.2001,
45 c.347 (C.52:27H-66.2 et al.).
46 (cf: P.L.2001, c.347, s.11)

1 2. Section 21 of P.L.1983, c.303 (C.52:27H-80) is amended to
2 read as follows:

3 21. Receipts of retail sales, except retail sales of motor vehicles,
4 of alcoholic beverages as defined in the "Alcoholic **【Beverage Tax**
5 **Law,】** beverage tax law, R.S.54:41-1 et seq., of cigarettes as
6 defined in the "Cigarette Tax Act," P.L.1948, c.65 (C.54:40A-1 et
7 seq.), of manufacturing machinery, equipment or apparatus, and of
8 energy, made by a certified seller from a place of business owned or
9 leased and regularly operated by the seller for the purpose of
10 making retail sales, and located in a designated enterprise zone
11 established pursuant to the "New Jersey Urban Enterprise Zones
12 Act," P.L.1983, c.303 (C.52:27H-60 et al.), or a UEZ-impacted
13 business district established pursuant to section 3 of P.L.2001,
14 c.347 (C.52:27H-66.2), are exempt to the extent of **【50%】** 50
15 percent of the tax imposed under the "Sales and Use Tax Act,"
16 P.L.1966, c.30 (C.54:32B-1 et seq.).

17 Any seller, which is a qualified business having a place of
18 business located in a designated enterprise zone or in a designated
19 UEZ-impacted business district, may apply to the Director of the
20 Division of Taxation in the Department of the Treasury for
21 certification pursuant to this section. The director shall certify a
22 seller if the director shall find that the seller owns or leases and
23 regularly operates a place of business located in the designated
24 enterprise zone or in the designated UEZ-impacted business district
25 for the purpose of making retail sales, that items are regularly
26 exhibited and offered for retail sale at that location, and that the
27 place of business is not utilized primarily for the purpose of
28 catalogue or mail order sales. The certification under this section
29 shall remain in effect during the time the business retains its status
30 as a qualified business meeting the eligibility criteria of section 27
31 of P.L.1983, c.303 (C.52:27H-86). However, the director may at
32 any time revoke a certification granted pursuant to this section if the
33 director shall determine that the seller no longer complies with the
34 provisions of this section.

35 Notwithstanding the provisions of **【this act】** P.L.1983,
36 c.303 (C.52:27H-60 et al.) to the contrary, except as may otherwise
37 be provided by section 7 of P.L.1983, c.303 (C.52:27H-66), the
38 authority may, in its discretion, determine if the provisions of this
39 section shall apply to any enterprise zone designated after the
40 effective date of P.L.1985, c.142 **【(C.52:27H-66 et al.)】** (C.52:27H-
41 80.1 et al.); provided, however, that the authority may make **【such**
42 **a】** this determination only where the authority finds that the award
43 of an exemption of 50 percent of the tax imposed under the "Sales
44 and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.) will not
45 have any adverse economic impact upon any other urban enterprise
46 zone.

1 Notwithstanding any other provisions of law to the contrary,
2 except as provided in subsection b. of section 6 of P.L.1996,
3 c.124 (C.13:1E-116.6), **【after first depositing 10】** the Department
4 of the Treasury shall deposit 30 percent of the gross amount of all
5 revenues received from the taxation of retail sales made by certified
6 sellers from business locations in designated enterprise zones to
7 which this exemption shall apply into the account created in the
8 name of the authority in the enterprise zone assistance fund
9 pursuant to section 29 of P.L.1983, c.303 (C.52:27H-88) **【,】** and
10 the remaining 【90】 70 percent shall be deposited **【immediately upon**
11 **collection by the Department of the Treasury, as follows:**

12 a. In the first five-year period during which the State shall have
13 collected reduced rate revenues within an enterprise zone, all such
14 revenues shall be deposited in the enterprise zone assistance fund
15 created pursuant to section 29 of P.L.1983, c.303 (C.52:27H-88);

16 b. In the second five-year period during which the State shall
17 have collected reduced rate revenues within an enterprise zone, 66
18 2/3% of all those revenues shall be deposited in the enterprise zone
19 assistance fund, and 33 1/3% shall be deposited in the General
20 Fund;

21 c. In the third five-year period during which the State shall
22 have collected reduced rate revenues within an enterprise zone, 33
23 1/3% of all those revenues shall be deposited in the enterprise zone
24 assistance fund, and 66 2/3% shall be deposited in the General
25 Fund;

26 d. In the final five-year period during which the State shall
27 have collected reduced rate revenues within an enterprise zone, but
28 not to exceed the life of the enterprise zone, all those revenues shall
29 be deposited**】** in the General Fund.

30 **【Commencing on the effective date of P.L.1993, c.144, all**
31 **revenues in any enterprise zone to which the provisions of this**
32 **section have been extended prior to the enactment of P.L.1993,**
33 **c.144 shall be deposited into the enterprise zone assistance fund**
34 **until there shall have been deposited all revenues into that fund for**
35 **a total of five full years, as set forth in subsection a. of this section.**
36 **The State Treasurer then shall proceed to deposit funds into the**
37 **enterprise zone assistance fund according to the schedule set forth**
38 **in subsections b. through d. of this section, beginning at the point**
39 **where the enterprise zone was located on that schedule on the**
40 **effective date of P.L.1993, c.144. No enterprise zone shall receive**
41 **the deposit benefit granted by any one subsection of this section for**
42 **more than five cumulative years.】**

43 The revenues required to be deposited in the enterprise zone
44 assistance fund under this section shall be used for the purposes of
45 **【that】** the assistance fund and for the uses prescribed in section 29

1 of P.L.1983, c.303 (C.52:27H-88), subject to annual appropriations
2 being made for those purposes and uses.
3 (cf: P.L.2011, c.49, s.15)
4

5 3. Section 29 of P.L.1983, c.303 (C.52:27H-88) is amended to
6 read as follows:

7 29. a. (1) There is created an enterprise zone assistance fund to
8 be held by the State Treasurer, which shall be the repository for all
9 moneys required to be deposited therein **[under]** pursuant to section
10 21 of P.L.1983, c.303 (C.52:27H-80) or moneys appropriated
11 annually to the assistance fund. All moneys deposited in the
12 assistance fund shall be held and disbursed in the amounts
13 necessary to fulfill the purposes of this section and subject to the
14 requirements hereinafter prescribed. The State Treasurer may
15 invest and reinvest any moneys in the assistance fund, or any
16 portion thereof, in legal obligations of the United States or of the
17 State or of any political subdivision thereof. Any income from,
18 interest on, or increment to moneys so invested or reinvested shall
19 be included in the assistance fund.

20 (2) The State Treasurer shall maintain separate accounts for
21 each enterprise zone designated under P.L.1983, c.303 (C.52:27H-
22 60 et al.), and one in the authority's name for the administration of
23 the Urban Enterprise Zone program. The State Treasurer shall
24 credit to each account an amount of the moneys deposited in the
25 assistance fund equal to the amount of revenues collected from the
26 taxation of retail sales made in the zone and appropriated to the
27 enterprise zone assistance fund, or that amount of moneys
28 appropriated to the assistance fund and required to be credited to
29 the enterprise zone account of the qualifying municipality pursuant
30 to section 21 of P.L.1983, c.303 (C.52:27H-80).

31 (3) The State Treasurer shall promulgate the rules and
32 regulations necessary to govern the administration of the assistance
33 fund for the purposes of this section, which shall include, but not be
34 limited to, regulations requiring the establishment of separate bank
35 accounts for funds credited to the enterprise zone account of each
36 qualifying municipality from the enterprise zone assistance fund,
37 commonly known as "first generation funds," and funds generated
38 from the repayments of loans to individuals and businesses from the
39 enterprise zone account of each qualifying municipality and the
40 proceeds from the sale of properties and equipment acquired
41 through the enterprise zone program, commonly known as "second
42 generation funds," and the review, compilation, and monitoring of
43 second generation fund quarterly reports submitted by each
44 enterprise zone.

45 (4) Any individual, including an individual who is not directly
46 employed by a qualifying municipality, with the authority to
47 administer, allocate or approve the use of enterprise zone assistance
48 funds is subject to the "Local Government Ethics Law," P.L.1991,

1 c.29 (C.40A:9-22.1 et seq.), unless the individual is a State
2 employee or a special State officer.

3 b. The enterprise zone assistance fund shall be used for the
4 purpose of assisting qualifying municipalities in which enterprise
5 zones are designated in undertaking public improvements,
6 economic development projects, and in upgrading eligible
7 municipal services in designated enterprise zones.

8 c. The governing body of a qualifying municipality in which an
9 enterprise zone is designated and the zone development corporation
10 created or designated by the qualifying municipality for that
11 enterprise zone may, by resolution jointly adopted after public
12 hearing, propose to undertake a project for the public improvement
13 of the enterprise zone or to increase eligible municipal services in
14 the enterprise zone, and to fund that project or increase in eligible
15 municipal services from moneys deposited in the enterprise zone
16 assistance fund and credited to the account maintained by the State
17 Treasurer for the enterprise zone.

18 The proposal so adopted shall set forth a plan for the project or
19 for the increase in eligible municipal services and shall include:

20 (1) A description of the proposed project or of the municipal
21 services to be increased;

22 (2) An estimate of the total project costs, or of the total costs of
23 increasing the municipal services, and an estimate of the amounts of
24 funding necessary annually from the enterprise zone account;

25 (3) A statement of any other revenue sources to be used to
26 finance the project or to fund the increase in eligible municipal
27 services;

28 (4) A statement of the time necessary to complete the project, or
29 of the time during which the increased municipal services are to be
30 maintained;

31 (5) A statement of the manner in which the proposed project or
32 increase in municipal services furthers the municipality's policy and
33 intentions for addressing the economic and social conditions
34 existing in the area of the enterprise zone as set forth in the zone
35 development plan approved by the authority; and

36 (6) A description of the financial and programmatic controls and
37 reporting mechanisms to be used to guarantee that the funds will be
38 spent in accordance with the plan and that the project or increased
39 municipal service will accomplish its purpose.

40 **【**As used in this section, "project" means an activity funded by
41 the zone assistance fund through the qualified municipality and
42 implemented by the zone development corporation, including the
43 purchasing, leasing, condemning, or otherwise acquiring of land or
44 other property, or an interest therein, in the enterprise zone or as
45 necessary for a right-of-way or other easement to or from the
46 enterprise zone; the relocating and moving of persons or businesses
47 displaced by the acquisition of land or property; the rehabilitation
48 and redevelopment of land or property, including demolition,

1 clearance, removal, relocation, renovation, alteration, construction,
2 reconstruction, installation, or repair of land or a building, street,
3 highway, alley, utility, service, or other structure or improvement
4 which will lead to increased economic activity within the zone; the
5 purchase and installation of closed circuit television surveillance
6 systems or other related equipment and those expenses associated
7 with homeland security and domestic preparedness; the acquisition,
8 construction, reconstruction, rehabilitation, or installation of public
9 facilities and improvements, except buildings and facilities for the
10 general conduct of government and schools; the establishment of
11 revolving loan or grant programs for qualified businesses in the
12 zone to encourage private investment and job creation, matching
13 grant programs for the establishment or operation of pedestrian
14 malls, special improvement districts and tax increment districts, or
15 other appropriate entity; marketing, advertising, and special event
16 activities that will lead to increased economic activity or encourage
17 private investment and job creation in the zone, but not including
18 the expenditures therefor which are required to be reported pursuant
19 to "The New Jersey Campaign Contributions and Expenditures
20 Reporting Act," P.L.1973, c.83 (C.19:44A-1 et al.) and the costs
21 associated therewith including the costs of an administrative
22 appraisal, economic and environmental analyses, environmental
23 remediation, engineering, planning, design, architectural, surveying,
24 or other professional or managerial services.

25 As used in this section, "eligible municipal services" means the
26 hiring of additional policemen or firemen assigned duties in the
27 enterprise zone, or the purchasing or leasing of additional police or
28 fire vehicles, equipment, or apparatus to be used for the provision
29 of augmented or upgraded public safety services in the enterprise
30 zone and its immediate vicinities. For any proposal that increases
31 eligible municipal services, the proposal shall state that it furthers
32 the policy and intentions of the zone development plan approved by
33 the authority; that the qualifying municipality has furnished
34 satisfactory assurances that the additional police officers or
35 firefighters to be hired, or the additional vehicles, equipment, or
36 apparatus to be purchased or leased, shall be used to augment or
37 upgrade public safety in the enterprise zone, and shall not be used
38 in other areas of the qualifying municipality; that the qualifying
39 municipality shall annually appropriate for the increased eligible
40 municipal services an amount equal to 20 percent of the amount of
41 annual payments for the eligible municipal services from the
42 enterprise zone account and shall not request for the increased
43 eligible municipal services an amount equal to more than 35 percent
44 of the amount of annual payments into the enterprise zone account,
45 unless the municipality and the authority have entered into an
46 agreement or agreements to the contrary prior to July 1, 1992; and
47 that the estimated annual payments for the eligible municipal

1 services from the enterprise zone account to which the proposal
2 pertains are not likely to result in a deficit in that account.

3 d. Upon adoption by the governing body of the qualifying
4 municipality and by the zone development corporation, **the** only a
5 proposal for undertaking a project shall be sent to the authority for
6 its evaluation and approval. The authority shall approve the
7 proposal if it shall find **:]** that the proposed project furthers the
8 policy and intentions of the zone development plan approved by the
9 authority, and that the estimated annual payments for the project
10 from the enterprise zone account to which the proposal pertains are
11 not likely to result in a deficit in that account.

12 **[(1)** In the case of a project, that the proposed project furthers
13 the policy and intentions of the zone development plan approved by
14 the authority, and that the estimated annual payments for the project
15 from the enterprise zone account to which the proposal pertains are
16 not likely to result in a deficit in that account;**]** (Deleted by
17 amendment, P.L. , c.) (pending before the Legislature as this
18 bill)

19 **[(2)** In the case of an increase in eligible municipal services,
20 that the proposal furthers the policy and intentions of the zone
21 development plan approved by the authority; that the qualifying
22 municipality has furnished satisfactory assurances that the
23 additional policemen or firemen to be hired, or the additional
24 vehicles, equipment, or apparatus to be purchased or leased, shall
25 be used to augment or upgrade public safety in the enterprise zone,
26 and shall not be used in other areas of the municipality; that the
27 qualifying municipality shall annually appropriate for the increased
28 eligible municipal services an amount equal to 20% of the amount
29 of annual payments for the eligible municipal services from the
30 enterprise zone account and shall not request for the increased
31 eligible municipal services an amount equal to more than 35% of
32 the amount of annual payments into the enterprise zone account,
33 unless the municipality and the authority have entered into an
34 agreement or agreements to the contrary prior to July 1, 1992; and
35 that the estimated annual payments for the eligible municipal
36 services from the enterprise zone account to which the proposal
37 pertains are not likely to result in a deficit in that account.**]**
38 (Deleted by amendment, P.L. , c.) (pending before the
39 Legislature as this bill)

40 e. If the authority shall approve the proposal for a project
41 submitted pursuant to subsection d. of this section, it shall annually,
42 upon its receipt of a written statement from the governing body of
43 the qualifying municipality and the zone development corporation,
44 certify to the State Treasurer the amount to be paid in that year from
45 the enterprise zone account in the enterprise zone assistance fund
46 with respect to each project **or increase in eligible municipal**
47 **services** approved. The authority may at any time revoke its

1 approval of a project **[or an increase in eligible municipal services]**
2 if it finds that the annual payments made from the enterprise zone
3 assistance fund are not being used as required by this section.

4 f. Upon certification by the authority of the annual amount to
5 be paid to a qualifying enterprise zone with respect to any project or
6 upon certification by the qualifying municipality of the annual
7 amount to be paid to a qualifying enterprise zone with respect to an
8 increase in eligible municipal services, the State Treasurer shall pay
9 in each year to the qualifying municipality from the amounts
10 deposited in the enterprise zone assistance fund the amount so
11 certified, within the limits of the amounts credited to the enterprise
12 zone account of the qualifying municipality.

13 g. **[An amount not to exceed one-third of the amount deposited**
14 **in the account created in the name of the authority in the enterprise**
15 **zone assistance fund shall be used by the authority for the**
16 **coordination and administration of the program throughout the**
17 **State, including, but not limited to, costs for personnel, operating**
18 **expenses, and marketing. The balance of the remaining amount**
19 **shall be distributed to qualifying municipalities in proportion to**
20 **each municipality's contribution to the enterprise zone assistance**
21 **fund for the coordination and administration of the program within**
22 **the municipality, including but not limited to costs for personnel,**
23 **operating expenses and marketing.]** (Deleted by amendment,
24 P.L. , c.) (pending before the Legislature as this bill)

25 h. (1) As used in this section, "project" means an activity
26 funded by the enterprise zone assistance fund through the qualifying
27 municipality and implemented by the zone development
28 corporation, including the purchasing, leasing, condemning, or
29 otherwise acquiring of land or other property, or an interest therein,
30 in the enterprise zone or as necessary for a right-of-way or other
31 easement to or from the enterprise zone; the relocating and moving
32 of persons or businesses displaced by the acquisition of land or
33 property; the rehabilitation and redevelopment of land or property,
34 including demolition, clearance, removal, relocation, renovation,
35 alteration, construction, reconstruction, installation, or repair of
36 land or a building, street, highway, alley, utility, service, or other
37 structure or improvement which will lead to increased economic
38 activity within the enterprise zone; the purchase and installation of
39 closed circuit television surveillance systems or other related
40 equipment and those expenses associated with homeland security
41 and domestic preparedness; the acquisition, construction,
42 reconstruction, rehabilitation, or installation of public facilities and
43 improvements, except buildings and facilities for the general
44 conduct of government and schools; the establishment of revolving
45 loan or grant programs for qualified businesses in the enterprise
46 zone to encourage private investment and job creation, matching
47 grant programs for the establishment or operation of pedestrian
48 malls, special improvement districts and tax increment districts, or

1 other appropriate entity; marketing, advertising, and special event
2 activities that will lead to increased economic activity or encourage
3 private investment and job creation in the enterprise zone, but not
4 including the expenditures therefor which are required to be
5 reported pursuant to "The New Jersey Campaign Contributions and
6 Expenditures Reporting Act," P.L.1973, c.83 (C.19:44A-1 et al.)
7 and the costs associated therewith including the costs of an
8 administrative appraisal, economic and environmental analyses,
9 environmental remediation, engineering, planning, design,
10 architectural, surveying, or other professional or managerial
11 services.

12 (2) As used in this section, "eligible municipal services" means
13 the hiring of additional police officers or firefighters assigned duties
14 in the enterprise zone, or the purchasing or leasing of additional
15 police or fire vehicles, equipment, or apparatus to be used for the
16 provision of augmented or upgraded public safety services in the
17 enterprise zone and its immediate vicinities.

18 (cf: P.L.2009, c.25, s.1)

19

20 4. This act shall take effect immediately, but shall remain
21 inoperative until July 1, 2015.

22

23

24

STATEMENT

25

26 This bill requires that, as of July 1, 2015, 30 percent of all
27 reduced rate sales tax revenues collected by qualified businesses in
28 urban enterprise zones (UEZs) be deposited to the accounts held in
29 the Enterprise Zone Assistance Fund (assistance fund) in the name
30 of the respective municipalities having UEZs and the remaining 70
31 percent of those revenues are to be deposited in the General Fund.
32 In doing so, the bill removes the UEZ tax revenue deposit and
33 appropriation allocation schedules for the assistance fund, including
34 the requirement that the Urban Enterprise Zone Authority
35 (authority) receive up to one-third of those revenues for the
36 coordination and administration of the UEZ program throughout the
37 State. Under current law, qualifying UEZs are designated for a 20-
38 year period and, after 15 years of that 20-year period, UEZs may
39 qualify, on a one-time basis, for an additional 16-year period.

40 Further, the bill removes the ability of the authority to consider a
41 proposal by a municipality having a UEZ to fund the cost of an
42 increase in "eligible municipal services," as that term is defined in
43 law, from the assistance fund account in the name of the
44 municipality having a UEZ. Under the bill, UEZs are to receive
45 from their assistance fund account the authority-approved amount
46 for a project and the municipal-certified amount for eligible
47 municipal services in the UEZ.