

ASSEMBLY, No. 353

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman SEAN T. KEAN

District 30 (Monmouth and Ocean)

Assemblyman EDWARD H. THOMSON

District 30 (Monmouth and Ocean)

SYNOPSIS

Changes State assistance to urban enterprise zones over seven years by increasing reduced sales tax in enterprise zones and dedicating increase to zone municipalities.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning urban enterprise zones and amending various
2 parts of the statutory law and supplementing P.L.1983,
3 c.303 (C.52:27H-60 et al.).
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
7

8 1. Section 3 of P.L.1983, c.303 (C.52:27H-62) is amended to
9 read as follows:

10 3. As used in **[this act]** P.L.1983, c.303 (C.52:27H-60 et al.):

11 a. "Enterprise zone" or "zone" means an urban enterprise zone
12 designated by the authority pursuant to **[this act]** P.L.1983,
13 c.303 (C.52:27H-60 et al.);

14 b. "Authority" means the New Jersey Urban Enterprise Zone
15 Authority created by **[this act]** P.L.1983, c.303 (C.52:27H-60 et
16 al.);

17 c. "Qualified business" means any entity authorized to do
18 business in the State of New Jersey which, at the time of
19 designation as an enterprise zone or a UEZ-impacted business
20 district, is engaged in the active conduct of a trade or business in
21 that zone or district; or an entity which, after that designation but
22 during the designation period, becomes newly engaged in the active
23 conduct of a trade or business in that zone or district and has at least
24 **[25%]** 25 percent of its full-time employees employed at a business
25 location in the zone or district, meeting one or more of the
26 following criteria:

27 (1) Residents within the zone, the district, within another zone,
28 or within a qualifying municipality; or

29 (2) Unemployed for at least six months prior to being hired and
30 residing in New Jersey, and recipients of New Jersey public
31 assistance programs for at least six months prior to being hired, or
32 either of the aforesaid; or

33 (3) Determined to be low income individuals pursuant to the
34 Workforce Investment Act of 1998, Pub.L.105-220 **[(29 U.S.C.**
35 **s.2811)]** (29 U.S.C. s.2801);

36 Approval as a qualified business shall be conditional upon
37 meeting all outstanding tax obligations, and may be withdrawn by
38 the authority if a business is continually delinquent in meeting its
39 tax obligations;

40 d. "Qualifying municipality" means any municipality in which
41 there was, in the last full calendar year immediately preceding the
42 year in which application for enterprise zone designation is
43 submitted pursuant to section 14 of P.L.1983, c.303 (C.52:27H-73),
44 an annual average of at least 2,000 unemployed persons, and in

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 which the municipal average annual unemployment rate for that
2 year exceeded the State average annual unemployment rate; except
3 that any municipality which qualifies for State aid pursuant to
4 P.L.1978, c.14 (C.52:27D-178 et seq.) shall qualify if its municipal
5 average annual unemployment rate for that year exceeded the State
6 average annual unemployment rate. The annual average of
7 unemployed persons and the average annual unemployment rates
8 shall be estimated for the relevant calendar year by the [Office of
9 Labor Planning and Analysis of the] State Department of Labor and
10 Workforce Development. In addition to those municipalities that
11 qualify pursuant to the criteria set forth above, that municipality
12 accorded priority designation pursuant to subsection e. of section 7
13 of P.L.1983, c.303 (C.52:27H-66), those municipalities set forth in
14 paragraph (7), paragraph (8) of section 3 of P.L.1995,
15 c.382 (C.52:27H-66.1), and paragraph (9) of section 3 of P.L.1995,
16 c.382 [as amended by section 3 of P.L.2004, c.75 (C.52:27H-
17 66.1)], and the municipalities in which the three additional
18 enterprise zones, including the joint enterprise zone, are to be
19 designated pursuant to criteria according priority consideration for
20 designation of the zones pursuant to section 12 of P.L.2001,
21 c.347 (C.52:27H-66.7) shall be deemed qualifying municipalities;
22 e. "Public assistance" means income maintenance funds
23 administered by the Department of Human Services or by a county
24 welfare agency;
25 f. "Zone development corporation" means a nonprofit
26 corporation or association created or designated by the governing
27 body of a qualifying municipality to formulate and propose a
28 preliminary zone development plan pursuant to section 9 of
29 P.L.1983, c.303 (C.52:27H-68) and to prepare, monitor, administer
30 and implement the zone development plan;
31 g. "Zone development plan" means a plan adopted by the
32 governing body of a qualifying municipality for the development of
33 an enterprise zone therein, and for the direction and coordination of
34 activities of the municipality, zone businesses, and community
35 organizations within the enterprise zone toward the economic
36 betterment of the residents of the zone and the municipality;
37 h. "Zone neighborhood association" means a corporation or
38 association of persons who either are residents of, or have their
39 principal place of employment in, a municipality in which an
40 enterprise zone has been designated pursuant to [this act] P.L.1983,
41 c.303 (C.52:27H-60 et al.); which is organized under the provisions
42 of Title 15 of the Revised Statutes or Title 15A of the New Jersey
43 Statutes; and which has for its principal purpose the encouragement
44 and support of community activities within, or on behalf of, the
45 zone so as to (1) stimulate economic activity, (2) increase or
46 preserve residential amenities, or (3) otherwise encourage

- 1 community cooperation in achieving the goals of the zone
2 development plan;
- 3 i. "Enterprise zone assistance fund" or "assistance fund" means
4 the fund created by section 29 of P.L.1983, c.303 (C.52:27H-88);
5 **【and】**
- 6 j. "UEZ-impacted business district" or "district" means an
7 economically-distressed business district classified by the authority
8 as having been negatively impacted by two or more adjacent urban
9 enterprise zones in which **【50% less】** the sales tax is collected
10 pursuant to section 21 of P.L.1983, c.303 (C.52:27H-80) and
11 section 9 of P.L. , c. (C.) (pending before the Legislature
12 as this bill);
- 13 k. "Director" means the Director of the Division of Taxation in
14 the Department of the Treasury; and
- 15 l. "State Treasurer" means the Treasurer of the State of New
16 Jersey.
17 (cf: P.L.2006, c.34, s.3)
18
- 19 2. Section 6 of P.L.1983, c.303 (C.52:27H-65) is amended to
20 read as follows:
- 21 6. It shall be the duty of the authority to:
- 22 a. Promulgate criteria for the designation of zones pursuant to
23 the provisions of **【this act】** P.L.1983, c.303 (C.52:27H-60 et al.);
- 24 b. Receive and evaluate applications of municipalities for the
25 designation of zones;
- 26 c. Enter into discussions with applying municipalities
27 regarding zone development proposals;
- 28 d. Act as agent of the State with respect to zone development
29 plans, and in determining the State-furnished components to be
30 included in those plans;
- 31 e. Designate zones in accordance with the provisions of **【this**
32 **act】** P.L.1983, c.303 (C.52:27H-60 et al.) and promulgate rules and
33 regulations necessary to carry out its duties under **【this act】**
34 P.L.1983, c.303 (C.52:27H-60 et al.);
- 35 f. Exercise continuing review and supervision of the
36 implementation of zone development plans;
- 37 g. Receive and evaluate proposals of qualifying municipalities
38 in which enterprise zones are designated for funding of projects and
39 increased eligible municipal services from the enterprise zone
40 assistance fund as shall be used for the purposes of that fund and for
41 the uses prescribed in section 29 of P.L.1983, c.303 (C.52:27H-88)
42 and section 9 of P.L. , c. (C.) (pending before the
43 Legislature as this bill), and to certify annually to the State
44 Treasurer amounts to be paid from the enterprise zone assistance
45 fund to support approved projects and increased eligible municipal
46 services in designated enterprise zones;

1 h. Assist and represent qualifying municipalities in any
2 negotiations with, or proceedings before, other agencies of State
3 Government or of the federal government, to secure necessary or
4 appropriate assistance, support, and cooperation of those agencies
5 in the implementation of zone development plans in accordance
6 with the provisions of **【this act】** P.L.1983, c.303 (C.52:27H-60 et
7 al.) and any other applicable State or federal law;

8 i. Upon request, assist agencies of municipal government in
9 gathering, compiling, and organizing data to support an application
10 for designation of a zone, and in identifying and coordinating the
11 elements of a zone development proposal suitable for the zone
12 sought to be designated;

13 j. Provide assistance to State and local government agencies
14 relating to application for the security of permits, licenses, and
15 other regulatory approvals required by those agencies, to assure
16 consideration and expeditious handling of regulatory requirements
17 of any **【zone】** qualified business, zone business association, or zone
18 neighborhood association **【; regulatory】**. Regulatory agencies of
19 the State and its agencies and instrumentalities may agree to any
20 simplification, consolidation, or other liberalization of procedural
21 requirements which may be requested by the authority and which is
22 not inconsistent with provisions of law;

23 k. Assist the State in applying to, or entering into negotiations
24 or agreements with, the federal government, for federal enterprise
25 zone designations; and

26 l. Exercise continuing review of the implementation of **【this**
27 **act】** P.L.1983, c.303 (C.52:27H-60 et al.), and to report annually to
28 the Governor and, pursuant to section 2 of P.L.1991,
29 c.164 (C.52:14-19.1), to the Legislature on the effectiveness of
30 enterprise zones in addressing the conditions cited in **【this act】**
31 P.L.1983, c.303 (C.52:27H-60 et al.), including any
32 recommendations for legislation to improve the effectiveness of
33 operation of those zones. The report shall be submitted one year
34 from the effective date of **【this act】** P.L.1983, c.303 (C.52:27H-60
35 et al.), and annually thereafter.

36 (cf: P.L.1983, c.303, s.6)

37
38 3. Section 7 of P.L.1983, c.303 (C.52:27H-66) is amended to
39 read as follows:

40 7. The authority shall designate enterprise zones from among
41 those areas of qualifying municipalities determined to be eligible
42 pursuant to P.L.1983, s.303 (C.52:27H-60 et al.). No more than 32
43 enterprise zones shall be in effect at any one time. No more than
44 one enterprise zone shall be designated in any one municipality.
45 Except as otherwise provided by section 11 of P.L.2001,
46 c.347 (C.52:27H-66.6), any designation granted shall be for a
47 period of 20 years, beginning with the year in which a zone is

1 eligible for an exemption to the extent of **【50%】** 50 percent of the
2 tax imposed under the "Sales and Use Tax Act," P.L.1966,
3 c.30 (C.54:32B-1 et seq.), and shall not be renewed at the end of
4 that period. In designating enterprise zones, the authority shall seek
5 to avoid excessive geographic concentration of zones in any
6 particular region of the State. At least six of the 10 additional
7 enterprise zones authorized pursuant to this section **【3** of P.L.1993,
8 c.367**】** shall be located in counties in which enterprise zones have
9 not previously been designated and shall be designated within 90
10 days of the date of the submittal of an application and zone
11 development plan. The authority shall accept applications within
12 90 days of the effective date of P.L.1993, c.367 (C.52:27H-65.1 et
13 al.). Notwithstanding the provisions of P.L.1983, c.303 (C.52:27H-
14 60 et seq.) to the contrary, a qualified business in any of the six
15 additional enterprise zones to be designated by the authority
16 pursuant to the criteria for priority consideration in this section shall
17 be entitled to an exemption to the extent **【of 50%】** provided in
18 section 9 of P.L. , c. (C.) (pending before the Legislature
19 as this bill) of the tax imposed under the "Sales and Use Tax Act,"
20 P.L.1966, c.30 (C.54:32B-1 et seq.). The following criteria shall be
21 utilized in according priority consideration for designation of these
22 zones by the authority:

23 a. One zone shall be located in a county of the second class
24 with a population greater than 595,000 and less than 675,000
25 according to the latest federal decennial census and shall be located
26 in the qualifying municipality in that county with the highest annual
27 average number of unemployed persons and the highest average
28 annual unemployment rate for the 1992 calendar year according to
29 the estimate by the State Department of Labor and Workforce
30 Development;

31 b. Two zones shall be located in a county of the second class
32 with a population greater than 445,000 and less than 455,000
33 according to the latest federal decennial census, one of which shall
34 be located in the qualifying municipality in that county with the
35 highest annual average number of unemployed persons and the
36 highest average annual unemployment rate for the 1992 calendar
37 year according to the estimate by the State Department of Labor and
38 Workforce Development, and one of which shall be located in the
39 qualifying municipality in that county with the second highest
40 annual average number of unemployed persons and the second
41 highest average annual unemployment rate for the 1992 calendar
42 year according to the estimate by the State Department of Labor and
43 Workforce Development;

44 c. One zone shall be located in a county of the third class with
45 a population greater than 84,000 and less than 92,000 according to
46 the latest federal decennial census and shall be located in the
47 qualifying municipality in that county with the highest annual
48 average number of unemployed persons and the highest average

1 annual unemployment rate for the 1992 calendar year according to
2 the estimate by the State Department of Labor and Workforce
3 Development;

4 d. One zone shall be located within two noncontiguous
5 qualifying municipalities but comprised of not more than two
6 noncontiguous areas each having a continuous border, if:

7 (1) both municipalities are located in the same county which
8 shall be a county of the fifth class with a population greater than
9 500,000 and less than 555,000 according to the latest federal
10 decennial census;

11 (2) the two municipalities submit a joint application and zone
12 development plan; and

13 (3) each of the municipalities has a population greater than
14 16,000 and less than 30,000 and a population density of more than
15 5,000 persons per square mile, according to the latest federal
16 decennial census; and

17 e. One zone shall be located within a municipality having a
18 population greater than 38,000 and less than 46,000 according to
19 the latest federal decennial census if the municipality is located
20 within a county of the fifth class with a population greater than
21 340,000 and less than 440,000 according to the latest federal
22 decennial census.

23 (cf: P.L.2004, c.75, s.2)

24

25 4. Section 3 of P.L.2001, c.347 (C.52:27H-66.2) is amended to
26 read as follows:

27 3. The authority shall designate a classification known as a
28 "UEZ-impacted business district" for a municipality which can
29 demonstrate to the authority that its business district is
30 economically distressed and is being negatively impacted by the
31 presence of two or more adjacent enterprise zones in which **【50%**
32 **less】** the sales tax is collected **【pursuant to】** in accordance with
33 section **【21 of P.L. 1983, c. 303 (C.52:27H-80)】** 9 of P.L. _____,
34 c. (C. _____) (pending before the Legislature as this bill).

35 (cf: P.L.2001, c.347, s.3)

36

37 5. Section 5 of P.L.2001, c.347 (C.52:27H-66.4) is amended to
38 read as follows:

39 5. a. A qualified business within a UEZ-impacted business
40 district authorized pursuant to section 3 of P.L.2001,
41 c.347 (C.52:27H-66.2) shall be entitled to an exemption to the
42 extent **【of 50%】** provided in section 9 of P.L. _____,
43 c. (C. _____) (pending before the Legislature as this bill) from the
44 tax imposed under the "Sales and Use Tax Act," P.L.1966,
45 c.30 (C.54:32B-1 et seq.) in accordance with **【section 21 of the**
46 **"New Jersey Urban Enterprise Zones Act," P.L.1983,**
47 **c.303 (C.52:27H-80)】**, to the same extent as that granted to

1 qualified businesses in the adjacent enterprise zones, provided that
 2 the qualified business applies to the Director of the Division of
 3 Taxation in the Department of the Treasury for certification
 4 pursuant to section 21 of P.L.1983, c.303 (C.52:27H-80), meets the
 5 eligibility criteria of section 27 of P.L.1983, c.303 (C.52:27H-86),
 6 and satisfies the annual certification requirements of section 28 of
 7 P.L.1983, c.303 (C.52:27H-87).

8 b. The reduced rate revenues authorized by **[this section]**
 9 section 9 of P.L. , c. (C.) (pending before the Legislature
 10 as this bill) and received from the taxation of retail sales made by
 11 qualified businesses in the UEZ-impacted business district shall be
 12 deposited in the General Fund and not allocated in accordance with
 13 section **[21 of the "New Jersey Urban Enterprise Zones Act,"**
 14 **P.L.1983, c.303 (C.52:27H-80)]** 9 of P.L. ,
 15 c. (C.) (pending before the Legislature as this bill), to the
 16 enterprise zone assistance fund.

17 c. Other than the reduction in sales tax rate provided to
 18 qualified businesses pursuant to **[this section]** section 9 of P.L. ,
 19 c. (C.) (pending before the Legislature as this bill), **[no]** tax
 20 credits, incentives, programs, or other benefits of the "New Jersey
 21 Urban Enterprise Zones Act," P.L.1983, c.303 (C.52:27H-60 et
 22 seq.), shall not be available to businesses in the district as a result of
 23 a UEZ-impacted business district designation.
 24 (cf: P.L.2001, c.347, s.5)

25

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

28 11. a. Notwithstanding the provisions of any law, rule,
 29 regulation or order to the contrary, the designation of an enterprise
 30 zone by the authority pursuant to P.L.1983, c.303 **[(C.52:27H-60 et**
 31 **seq.)]** (C.52:27H-60 et al.), which is located in a municipality in
 32 which the annual average of unemployed persons is equal to or
 33 greater than 2,000, or the municipal average annual unemployment
 34 rate exceeds the State average annual unemployment rate, or an
 35 enterprise zone which is located in a municipality contiguous to a
 36 municipality in which an enterprise zone is designated pursuant to
 37 P.L.1983, c.303 **[(C.52:27H-60 et seq.)]** (C.52:27H-60 et al.) and
 38 in which the annual average of unemployed persons is equal to or
 39 greater than 2,000 or the municipal average annual unemployment
 40 rate exceeds the State average annual unemployment rate, shall,
 41 following the expiration of the third five-year period during which
 42 the State shall have collected reduced rate revenues within the zone
 43 as provided in subsection c. of section 21 of P.L.1983,
 44 c.303 (C.52:27H-80), be extended by the authority, on a one-time
 45 basis, for a period of 16 years, within 90 days after the effective
 46 date of P.L.2001, c.347 (C.52:27H-66.2 et al.), or within 90 days
 47 after the expiration of that third five-year period, whichever is later.

1 b. During the 90-day period provided for in subsection a. of
2 this section, the authority shall notify all qualified businesses in the
3 enterprise zone that the benefits authorized by sections 16 through
4 20 of P.L.1983, c.303 (C.52:27H-75 through C.52:27H-79) shall be
5 extended to qualified businesses in the enterprise zone commencing
6 with the designation of the extended enterprise zone and continuing
7 as long as a zone retains its designation as an extended enterprise
8 zone.

9 c. **【**Notwithstanding any other provisions of any law, rule or
10 regulation to the contrary, 90 days after the expiration of the period
11 provided for in subsection c. of section 21 of P.L.1983,
12 c.303 (C.52:27H-80), except as provided in subsection b. of section
13 6 of P.L.1996, c.124 (C.13:1E-116.6) and, and after first depositing
14 10 percent of the gross amount of all revenues received from the
15 taxation of retail sales made by certified vendors from business
16 locations in an extended enterprise zone designated pursuant to
17 subsection a. of this section, to which this exemption shall apply
18 into the account created in the name of the authority in the
19 enterprise zone assistance fund pursuant to section 29 of P.L.1983,
20 c.303 (C.52:27H-88), the remaining 90 percent shall be deposited
21 immediately upon collection by the Department of the Treasury, as
22 follows:

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

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

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

38 (4) In the final year during which the State shall have collected
39 reduced rate revenues within the extended enterprise zone, but not
40 to exceed the life of the enterprise zone, all those revenues shall be
41 deposited in the General Fund.

42 The revenues required to be deposited in the enterprise zone
43 assistance fund under this section shall be used for the purposes of
44 that fund and for the uses prescribed in section 29 of P.L.1983,
45 c.303 (C.52:27H-88), subject to annual appropriations being made
46 for those purposes and uses. **】** (Deleted by amendment, P.L. ____,
47 c. __) (pending before the Legislature as this bill)

1 d. **【**The designation as an extended enterprise zone pursuant to
2 this section shall terminate if the authority determines that the
3 municipality in which the zone is located fails to meet the criteria of
4 subsection a. of this section for three consecutive years. Any
5 enterprise zone which loses its designation as an extended
6 enterprise zone pursuant to this subsection shall be eligible to re-
7 apply to the authority for designation as an extended enterprise zone
8 pursuant to the provisions of P.L.1983, c.303 (C.52:27H-60 et seq.).
9 If the authority approves its application, an urban enterprise zone
10 designation may be extended to the applicant in accordance with the
11 schedules set forth in P.L.1983, c.303 (C.52:27H-60 et seq.),
12 beginning at the point where the enterprise zone was located on
13 such schedules on the effective date of P.L.2001, c.347 (C.52:27H-
14 66.2 et al.).**】** (Deleted by amendment, P.L. __, c. __) (pending before
15 the Legislature as this bill)
16 (cf: P.L.2001, c.347, s.11)
17

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

20 21. Receipts of retail sales, except retail sales of motor vehicles,
21 of alcoholic beverages as defined in the "Alcoholic Beverage Tax
22 Law," R.S.54:41-1 et seq., of cigarettes as defined in the "Cigarette
23 Tax Act," P.L.1948, c.65 (C.54:40A-1 et seq.), of manufacturing
24 machinery, equipment or apparatus, and of energy, made by a
25 certified seller from a place of business owned or leased and
26 regularly operated by the seller for the purpose of making retail
27 sales, and located in a designated enterprise zone established
28 pursuant to the "New Jersey Urban Enterprise Zones Act,"
29 P.L.1983, c.303 (C.52:27H-60 et al.) , or a UEZ-impacted business
30 district established pursuant to section 3 of P.L.2001,
31 c.347 (C.52:27H-66.2), are exempt to the extent **【of 50%】** provided
32 in section 9 of P.L. __, c. __ (C. __) (pending before the Legislature
33 as this bill) and section 5 of P.L.2001, c.347 (C.52:27H-66.4), as
34 appropriate, from the percentage of the tax imposed under the
35 "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.).

36 Any seller, which is a qualified business having a place of
37 business located in a designated enterprise zone or in a designated
38 UEZ-impacted business district, may apply to the Director of the
39 Division of Taxation in the Department of the Treasury for
40 certification pursuant to this section. The director shall certify a
41 seller if the director shall find that the seller owns or leases and
42 regularly operates a place of business located in the designated
43 enterprise zone or in the designated UEZ-impacted business district
44 for the purpose of making retail sales, that items are regularly
45 exhibited and offered for retail sale at that location, and that the
46 place of business is not utilized primarily for the purpose of
47 catalogue or mail order sales. The certification under this section
48 shall remain in effect during the time the business retains its status

1 as a qualified business meeting the eligibility criteria of section 27
2 of P.L.1983, c.303 (C.52:27H-86). However, the director may, at
3 any time, revoke a certification granted pursuant to this section if
4 the director shall determine that the seller no longer complies with
5 the provisions of this section.

6 Notwithstanding the provisions of **【this act】** P.L.1983,
7 c.303 (C.52:27H-60 et al.) to the contrary, except as may otherwise
8 be provided by section 7 of P.L.1983, c.303 (C.52:27H-66), the
9 authority may, in its discretion, determine if the provisions of this
10 section shall apply to any enterprise zone designated after the
11 effective date of P.L.1985, c.142 (C.52:27H-66 et al.); provided,
12 however, that the authority may make **【such a】** this determination
13 only where the authority finds that the award of an exemption of
14 **【50 percent】** a percentage of the tax imposed under the "Sales and
15 Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.) in accordance
16 with section 9 of P.L. , c. (C.) (pending before the
17 Legislature as this bill) will not have any adverse economic impact
18 upon any other urban enterprise zone.

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

30 a. **【In the first five-year period during which the State shall**
31 **have collected reduced rate revenues within an enterprise zone, all**
32 **such revenues shall be deposited in the enterprise zone assistance**
33 **fund created pursuant to section 29 of P.L.1983, c.303 (C.52:27H-**
34 **88);】** (Deleted by amendment, P.L. , c.) (pending before the
35 Legislature as this bill)

36 b. **【In the second five-year period during which the State shall**
37 **have collected reduced rate revenues within an enterprise zone, 66**
38 **2/3% of all those revenues shall be deposited in the enterprise zone**
39 **assistance fund, and 33 1/3% shall be deposited in the General**
40 **Fund;】** (Deleted by amendment, P.L. , c.) (pending before the
41 Legislature as this bill)

42 c. **【In the third five-year period during which the State shall**
43 **have collected reduced rate revenues within an enterprise zone, 33**
44 **1/3% of all those revenues shall be deposited in the enterprise zone**
45 **assistance fund, and 66 2/3% shall be deposited in the General**
46 **Fund;】** (Deleted by amendment, P.L. , c.) (pending before the
47 Legislature as this bill)

1 d. **【In the final five-year period during which the State shall**
2 **have collected reduced rate revenues within an enterprise zone, but**
3 **not to exceed the life of the enterprise zone, all those revenues shall**
4 **be deposited in the General Fund.】** (Deleted by amendment, P.L. ,
5 c.) (pending before the Legislature as this bill)

6 **【Commencing on the effective date of P.L.1993, c.144, all**
7 **revenues in any enterprise zone to which the provisions of this**
8 **section have been extended prior to the enactment of P.L.1993,**
9 **c.144 shall be deposited into the enterprise zone assistance fund**
10 **until there shall have been deposited all revenues into that fund for**
11 **a total of five full years, as set forth in subsection a. of this section.**
12 **The State Treasurer then shall proceed to deposit funds into the**
13 **enterprise zone assistance fund according to the schedule set forth**
14 **in subsections b. through d. of this section, beginning at the point**
15 **where the enterprise zone was located on that schedule on the**
16 **effective date of P.L.1993, c.144. No enterprise zone shall receive**
17 **the deposit benefit granted by any one subsection of this section for**
18 **more than five cumulative years.**

19 The revenues required to be deposited in the enterprise zone
20 assistance fund under this section shall be used for the purposes of
21 that fund and for the uses prescribed in section 29 of P.L.1983,
22 c.303 (C.52:27H-88), subject to annual appropriations being made
23 for those purposes and uses.】

24 (cf: P.L.2011, c.49, s.15)

25
26 8. Section 29 of P.L.1983, c.303 (C.52:27H-88) is amended to
27 read as follows:

28 29. a. (1) There is created an enterprise zone assistance fund to
29 be held by the State Treasurer, which shall be the repository for all
30 moneys required to be deposited therein **【under】** in accordance with
31 section 【21 of P.L.1983, c.303 (C.52:27H-80)】 9 of P.L. ,
32 c. (C.) (pending before the Legislature as this bill) or moneys
33 appropriated annually to the assistance fund. All moneys deposited
34 in the assistance fund shall be held and disbursed in the amounts
35 necessary to fulfill the purposes of this section and subject to the
36 requirements hereinafter prescribed. The State Treasurer may
37 invest and reinvest any moneys in the assistance fund, or any
38 portion thereof, in legal obligations of the United States or of the
39 State or of any political subdivision thereof. Any income from,
40 interest on, or increment to moneys so invested or reinvested shall
41 be included in the assistance fund.

42 (2) The State Treasurer shall maintain separate accounts for
43 each enterprise zone designated under P.L.1983, c.303 (C.52:27H-
44 60 et al.), and one in the authority's name for the administration of
45 the Urban Enterprise Zone program. The State Treasurer shall
46 credit to each account an amount of the moneys deposited in the
47 assistance fund equal to the amount of revenues collected from the

1 taxation of retail sales made in the zone and appropriated to the
2 enterprise zone assistance fund, or that amount of moneys
3 appropriated to the assistance fund and required to be credited to
4 the enterprise zone account of the qualifying municipality **【pursuant**
5 **to】** in accordance with section **【21 of P.L.1983, c.303 (C.52:27H-**
6 **80)】** 9 of P.L. , c. (C.) (pending before the Legislature as
7 this bill).

8 (3) The State Treasurer shall promulgate the rules and
9 regulations necessary to govern the administration of the assistance
10 fund for the purposes of this section, which shall include, but not be
11 limited to, regulations requiring the establishment of separate bank
12 accounts for funds credited to the enterprise zone account of each
13 qualifying municipality from the enterprise zone assistance fund,
14 commonly known as "first generation funds," and funds generated
15 from the repayments of loans to individuals and businesses from the
16 enterprise zone account of each qualifying municipality and the
17 proceeds from the sale of properties and equipment acquired
18 through the enterprise zone program, commonly known as "second
19 generation funds," and the review, compilation, and monitoring of
20 second generation fund quarterly reports submitted by each
21 enterprise zone.

22 (4) Any individual, including an individual who is not directly
23 employed by a qualifying municipality, with the authority to
24 administer, allocate or approve the use of enterprise zone assistance
25 funds is subject to the "Local Government Ethics Law," P.L.1991,
26 c.29 (C.40A:9-22.1 et seq.), unless the individual is a State
27 employee or a special State officer.

28 b. The enterprise zone assistance fund shall be used for the
29 purpose of assisting qualifying municipalities in which enterprise
30 zones are designated in undertaking public improvements,
31 economic development projects, and in upgrading eligible
32 municipal services in designated enterprise zones in accordance
33 with section 9 of P.L. , c. (C.) (pending before the
34 Legislature as this bill).

35 c. The governing body of a qualifying municipality in which an
36 enterprise zone is designated and the zone development corporation
37 created or designated by the qualifying municipality for that
38 enterprise zone may, by resolution jointly adopted after public
39 hearing, propose to undertake a project for the public improvement
40 of the enterprise zone or to increase eligible municipal services in
41 the enterprise zone, and to fund that project or increase in eligible
42 municipal services from moneys deposited in the enterprise zone
43 assistance fund and credited to the account maintained by the State
44 Treasurer for the enterprise zone.

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

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

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

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

7 (4) A statement of the time necessary to complete the project, or
8 of the time during which the increased municipal services are to be
9 maintained;

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

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

19 As used in this section, "project" means an activity funded by the
20 enterprise zone assistance fund through the **【qualified】** qualifying
21 municipality and implemented by the zone development
22 corporation, including the purchasing, leasing, condemning, or
23 otherwise acquiring of land or other property, or an interest therein,
24 in the enterprise zone or as necessary for a right-of-way or other
25 easement to or from the enterprise zone; the relocating and moving
26 of persons or businesses displaced by the acquisition of land or
27 property; the rehabilitation and redevelopment of land or property,
28 including demolition, clearance, removal, relocation, renovation,
29 alteration, construction, reconstruction, installation, or repair of
30 land or a building, street, highway, alley, utility, service, or other
31 structure or improvement which will lead to increased economic
32 activity within the enterprise zone; the purchase and installation of
33 closed circuit television surveillance systems or other related
34 equipment and those expenses associated with homeland security
35 and domestic preparedness; the acquisition, construction,
36 reconstruction, rehabilitation, or installation of public facilities and
37 improvements, except buildings and facilities for the general
38 conduct of government and schools; the establishment of revolving
39 loan or grant programs for qualified businesses in the enterprise
40 zone to encourage private investment and job creation, matching
41 grant programs for the establishment or operation of pedestrian
42 malls, special improvement districts and tax increment districts, or
43 other appropriate entity; marketing, advertising, and special event
44 activities that will lead to increased economic activity or encourage
45 private investment and job creation in the enterprise zone, but not
46 including the expenditures therefor which are required to be
47 reported pursuant to "The New Jersey Campaign Contributions and
48 Expenditures Reporting Act," P.L.1973, c.83 (C.19:44A-1 et al.)

1 and the costs associated therewith including the costs of an
2 administrative appraisal, economic and environmental analyses,
3 environmental remediation, engineering, planning, design,
4 architectural, surveying, or other professional or managerial
5 services.

6 As used in this section, "eligible municipal services" means the
7 hiring of additional **【policemen or firemen】** police officers or
8 firefighters assigned duties in the enterprise zone, or the purchasing
9 or leasing of additional police or fire vehicles, equipment, or
10 apparatus to be used for the provision of augmented or upgraded
11 public safety services in the enterprise zone and its immediate
12 vicinities.

13 d. Upon adoption by the governing body of the qualifying
14 municipality and by the zone development corporation, the proposal
15 shall be sent to the authority for its evaluation and approval. The
16 authority shall approve the proposal if it shall find:

17 (1) In the case of a project, that the proposed project furthers the
18 policy and intentions of the zone development plan approved by the
19 authority, and that the estimated annual payments for the project
20 from the enterprise zone account to which the proposal pertains are
21 not likely to result in a deficit in that account;

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

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

1 approval of a project or an increase in eligible municipal services if
2 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 increase in eligible municipal services, the State Treasurer shall pay
7 in each year to the qualifying municipality from the amounts
8 deposited in the enterprise zone assistance fund the amount so
9 certified, within the limits of the amounts credited to the enterprise
10 zone account of the qualifying municipality.

11 g. An amount not to exceed one-third of the amount deposited
12 in the account created in the name of the authority in the enterprise
13 zone assistance fund, pursuant to subsection a. of this section, shall
14 be used by the authority for the coordination and administration of
15 the program throughout the State, including, but not limited to,
16 costs for personnel, operating expenses, and marketing. The
17 balance of the remaining amount shall be distributed to qualifying
18 municipalities in proportion to each municipality's contribution to
19 the enterprise zone assistance fund for the coordination and
20 administration of the program within the qualifying municipality,
21 including but not limited to costs for personnel, operating expenses,
22 and marketing.

23 (cf: P.L.2009, c.25, s.1)
24

25 9. (New section) a. During Fiscal Year 2016, the receipts of
26 all retail sales of goods not exempted from the provisions of section
27 21 of P.L.1983, c.303 (C.52:27H-80) from a seller who is certified
28 by the director pursuant to that section, shall be taxed at the rate of
29 four percent and collected in a manner consistent with the "Sales
30 and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.). The
31 revenues derived from the sales tax collected from those retail sales
32 shall be divided as follows: (1) the General Fund of the State of
33 New Jersey shall receive 87.5 percent; and (2) the remaining 12.5
34 percent shall be deposited into the separate accounts maintained
35 within the enterprise zone assistance fund for the applicable
36 qualifying municipality's enterprise zone trust fund account in a
37 manner consistent with the purposes and administration of the
38 enterprise zone assistance fund. In a manner consistent with the
39 provisions of subsection c. of section 29 of P.L.1983,
40 c.303 (C.52:27H-88), during Fiscal Year 2016, no less than 10
41 percent of the monies available in a qualifying municipality's
42 enterprise zone trust fund account shall be appropriated to finance a
43 project undertaken for the public improvement of the enterprise
44 zone.

45 b. During Fiscal Year 2017, the receipts of all retail sales of
46 goods not exempted from the provisions of section 21 of P.L.1983,
47 c.303 (C.52:27H-80) from a seller who is certified by the director
48 pursuant to that section, shall be taxed at the rate of 4.5 percent and

1 collected in a manner consistent with the "Sales and Use Tax Act,"
2 P.L.1966, c.30 (C.54:32B-1 et seq.). The revenues derived from the
3 sales tax collected from those retail sales shall be divided as
4 follows: (1) the General Fund of the State of New Jersey shall
5 receive 77.78 percent; and (2) the remaining 22.22 percent shall be
6 deposited into the separate accounts maintained within the
7 enterprise zone assistance fund for the applicable qualifying
8 municipality's enterprise zone trust fund account in a manner
9 consistent with the purposes and administration of the enterprise
10 zone assistance fund. In a manner consistent with the provisions of
11 subsection c. of section 29 of P.L.1983, c.303 (C.52:27H-88),
12 during Fiscal Year 2017, no less than 20 percent of the monies
13 available in a qualifying municipality's enterprise zone trust fund
14 account shall be appropriated to finance a project undertaken for the
15 public improvement of the enterprise zone.

16 c. During Fiscal Year 2018, the receipts of all retail sales of
17 goods not exempted from the provisions of section 21 of P.L.1983,
18 c.303 (C.52:27H-80) from a seller who is certified by the director
19 pursuant to that section, shall be taxed at the rate of five percent and
20 collected in a manner consistent with the "Sales and Use Tax Act,"
21 P.L.1966, c.30 (C.54:32B-1 et seq.). The revenues derived from the
22 sales tax collected from those retail sales shall be divided as
23 follows: (1) the General Fund of the State of New Jersey shall
24 receive 70 percent; and (2) the remaining 30 percent shall be
25 deposited into the separate accounts maintained within the
26 enterprise zone assistance fund for the applicable qualifying
27 municipality's enterprise zone trust fund account in a manner
28 consistent with the purposes and administration of the enterprise
29 zone assistance fund. In a manner consistent with the provisions of
30 subsection c. of section 29 of P.L.1983, c.303 (C.52:27H-88),
31 during Fiscal Year 2018, no less than 30 percent of the monies
32 available in a qualifying municipality's enterprise zone trust fund
33 account shall be appropriated to finance a project undertaken for the
34 public improvement of the enterprise zone.

35 d. During Fiscal Year 2019, the receipts of all retail sales of
36 goods not exempted from the provisions of section 21 of P.L.1983,
37 c.303 (C.52:27H-80) from a seller who is certified by the director
38 pursuant to that section, shall be taxed at the rate of 5.5 percent and
39 collected in a manner consistent with the "Sales and Use Tax Act,"
40 P.L.1966, c.30 (C.54:32B-1 et seq.). The revenues derived from the
41 sales tax collected from those retail sales shall be divided as
42 follows: (1) the General Fund of the State of New Jersey shall
43 receive 63.64 percent; and (2) the remaining 36.36 percent shall be
44 deposited into the separate accounts maintained within the
45 enterprise zone assistance fund for the applicable qualifying
46 municipality's enterprise zone trust fund account in a manner
47 consistent with the purposes and administration of the enterprise
48 zone assistance fund. In a manner consistent with the provisions of

1 subsection c. of section 29 of P.L.1983, c.303 (C.52:27H-88),
2 during Fiscal Year 2019 and thereafter, no less than 40 percent of
3 the monies available in a qualifying municipality's enterprise zone
4 trust fund account shall be appropriated to finance a project
5 undertaken for the public improvement of the enterprise zone.

6 e. During Fiscal Year 2020, the receipts of all retail sales of
7 goods not exempted from the provisions of section 21 of P.L.1983,
8 c.303 (C.52:27H-80) from a seller who is certified by the director
9 pursuant to that section, shall be taxed at the rate of six percent and
10 collected in a manner consistent with the "Sales and Use Tax Act,"
11 P.L.1966, c.30 (C.54:32B-1 et seq.). The revenues derived from the
12 sales tax collected from those retail sales shall be divided as
13 follows: (1) the General Fund of the State of New Jersey shall
14 receive 58.33 percent; and (2) the remaining 41.67 percent shall be
15 deposited into the separate accounts maintained within the
16 enterprise zone assistance fund for the applicable qualifying
17 municipality's enterprise zone trust fund account in a manner
18 consistent with the purposes and administration of the enterprise
19 zone assistance fund.

20 f. During Fiscal Year 2021, the receipts of all retail sales of
21 goods not exempted from the provisions of section 21 of P.L.1983,
22 c.303 (C.52:27H-80) from a seller who is certified by the director
23 pursuant to that section, shall be taxed at the rate of 6.5 percent and
24 collected in a manner consistent with the "Sales and Use Tax Act,"
25 P.L.1966, c.30 (C.54:32B-1 et seq.). The revenues derived from the
26 sales tax collected from those retail sales shall be divided as
27 follows: (1) the General Fund of the State of New Jersey shall
28 receive 53.35 percent; and (2) the remaining 46.65 percent shall be
29 deposited into the separate accounts maintained within the
30 enterprise zone assistance fund for the applicable qualifying
31 municipality's enterprise zone trust fund account in a manner
32 consistent with the purposes and administration of the enterprise
33 zone assistance fund.

34 g. During Fiscal Year 2022, the receipts of all retail sales of
35 goods not exempted from the provisions of section 21 of P.L.1983,
36 c.303 (C.52:27H-80) from a seller who is certified by the director
37 pursuant to that section, shall be taxed at the rate of seven percent
38 and collected in a manner consistent with the "Sales and Use Tax
39 Act," P.L.1966, c.30 (C.54:32B-1 et seq.). The revenues derived
40 from the sales tax collected from those retail sales shall be divided
41 as follows: (1) the General Fund of the State of New Jersey shall
42 receive 50 percent; and (2) the remaining 50 percent shall be
43 deposited into the separate accounts maintained within the
44 enterprise zone assistance fund for the applicable qualifying
45 municipality's enterprise zone trust fund account in a manner
46 consistent with the purposes and administration of the enterprise
47 zone assistance fund.

1 h. During Fiscal Year 2023 and thereafter, the receipts of all
2 retail sales of goods not exempted from the provisions of section 21
3 of P.L.1983, c.303 (C.52:27H-80) from a seller who is certified by
4 the director as pursuant to that section, shall be taxed at the rate of
5 seven percent and collected in a manner consistent with the "Sales
6 and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.) and all of
7 the revenues derived from the sales tax collected from those retail
8 sales shall be deposited in the General Fund.

9
10 10. Section 5 of P.L.2007, c.30 (C.34:1B-194) is amended to
11 read as follows:

12 5. The governing body of a municipality that establishes a
13 sports and entertainment district may, as part of the ordinance
14 establishing the district: impose one or more of the taxes
15 enumerated in subsection a. of this section; dedicate some or all of
16 those taxes; and dedicate some or all of the taxes enumerated in
17 subsection b. of this section solely for the purposes of financing the
18 project costs of a sports and entertainment facility for the life of the
19 project, as appropriate, except that none of the taxes enumerated in
20 subsection a. or b. of this section shall be imposed or dedicated for
21 a period of more than 30 years.

22 a. The municipality may, by ordinance, impose any or all of the
23 following:

24 (1) a tax at the rate of **【2%】** two percent on the receipts from
25 every sale within the district of tangible personal property subject
26 to taxation pursuant to subsection (a) of section 3 of P.L.1966,
27 c.30 (C.54:32B-3);

28 (2) a tax at the rate of **【2%】** two percent on the receipts from
29 every sale within the district of food and drink subject to taxation
30 pursuant to subsection (c) of section 3 of P.L.1966, c.30 (C.54:32B-
31 3);

32 (3) a tax at the rate of **【2%】** two percent on charges of rent for
33 every occupancy of a room or rooms in a hotel located within the
34 district and subject to taxation pursuant to subsection (d) of section
35 3 of P.L.1966, c.30 (C.54:32B-3); or

36 (4) a tax at the rate of **【2%】** two percent on the admission
37 charge to a place of amusement within the district and subject to
38 taxation pursuant to subsection (e) of section 3 of P.L.1966,
39 c.30 (C.54:32B-3).

40 b. The municipality may dedicate, by ordinance, any hotel and
41 motel occupancy tax revenues collected within the district that the
42 municipality is authorized to impose pursuant to section 3 of
43 P.L.2003, c.114 (C.40:48F-1) and, at the discretion of the
44 municipality, an additional charge of **【2%】** two percent.

45 c. A tax imposed under subsection a. of this section shall be in
46 addition to any other tax or fee imposed pursuant to statute or local

1 ordinance or resolution by any governmental entity upon the same
2 transaction.

3 d. A copy of an ordinance adopted pursuant to section 4 of
4 P.L.2007, c.30 (C.34:1B-193) shall be transmitted upon adoption or
5 amendment thereof to the State Treasurer. An ordinance so adopted
6 or any amendment thereto shall provide that the tax provisions of
7 the ordinance or any amendment to the tax provisions shall take
8 effect on the first day of the first full month occurring 90 days after
9 the date of transmittal to the State Treasurer.

10 e. A municipality that creates a district pursuant to section 4 of
11 P.L.2007, c.30 (C.34:1B-193), which overlaps, in whole or in part,
12 with an urban enterprise zone in which the receipts of certain sales
13 are exempt to the extent **【of 50%】** provided in section 9 of P.L. ,
14 c. (C.) (pending before the Legislature as this bill) of the tax
15 imposed under the "Sales and Use Tax Act," P.L.1966,
16 c.30 (C.54:32B-1 et seq.), **【pursuant to section 21 of P.L.1983,**
17 **c.303 (C.52:27H-80),】** shall continue to administer those sales tax
18 revenues collected within the designated urban enterprise zone as
19 otherwise provided pursuant to P.L.1983, c.303 **【(C.52:27H-60 et**
20 **seq.)】** (C.52:27H-60 et al.).
21 (cf: P.L.2007, c.30, s.5)
22

23 11. Section 4 of P.L.1995, c.173, s.4 (C.40A:12A-53) is
24 amended to read as follows:

25 4. a. A municipality that has created a district pursuant to
26 section 3 of P.L.1995, c.173 (C.40A:12A-52), in which there is an
27 area designated as an urban enterprise zone in which the receipts of
28 certain sales are exempt to the extent **【of 50%】** provided in section
29 9 of P.L. , c. (C.) (pending before the Legislature as this
30 bill) of the tax imposed under the "Sales and Use Tax Act,"
31 P.L.1966, c.30 (C.54:32B-1 et seq.), **【pursuant to section 21 of**
32 **P.L.1983, c.303 (C.52:27H-80),】** may for the purpose of increasing
33 public revenue adopt an ordinance to levy and collect, within the
34 district, a franchise assessment not to exceed three percent of gross
35 receipts and to devote the proceeds from those assessments to
36 municipal purposes as provided in this section.

37 b. The rate of the franchise assessment shall be uniform
38 throughout the district. The franchise assessment shall apply only
39 within the territorial limits of the district and shall be in addition to
40 any other assessments, taxes, and excises.

41 c. The ordinance shall be a valid and binding ordinance of the
42 municipality. The ordinance shall continue in force and effect until
43 repealed by the governing body. The municipality may also
44 provide and covenant by ordinance that the ordinance authorizing
45 the franchise assessment will not be amended so as to repeal or
46 reduce the franchise assessment while bonds issued pursuant to
47 P.L.1995, c.173 (C.40A:12A-50 et seq.) and **【this amendatory and**

1 supplementary act,] P.L.1996, c.73 (C.40A:12A-50a et al.) are
2 outstanding, unless the resolution authorizing the bonds shall
3 provide otherwise. [Such] The covenant shall constitute a valid
4 and legally binding contract between the municipality and
5 bondholders.

6 d. [No] A franchise assessment shall not be imposed on gross
7 receipts which the municipality or the State is prohibited from
8 taxing under New Jersey law, or the Constitution and laws of the
9 United States of America.

10 e. Upon adoption, the municipal clerk shall immediately
11 transmit a copy of the ordinance to the Director of the Division of
12 Local Government Services in the Department of Community
13 Affairs and to the Director of the Division of Taxation in the
14 Department of the Treasury. Every ordinance levying a franchise
15 assessment pursuant to this section shall provide for reporting
16 assessments due and for the collection thereof, and all franchise
17 assessments pursuant to [such an] that ordinance shall be remitted
18 to the chief financial officer of the municipality. An ordinance
19 levying a franchise assessment shall take effect only on the first day
20 of any month in any year. The ordinance shall provide for the
21 allocation and distribution of the proceeds of the franchise
22 assessments collected; provided, however, that only [such] sums as
23 are retained by the municipality pursuant to the ordinance shall be
24 included in the general funds of the municipality and all other
25 franchise assessment proceeds shall be held in trust for the payment
26 or reimbursement of costs or obligations incurred for the purposes
27 of the district.

28 f. The ordinance shall set forth the person or persons subject to
29 the franchise assessment payment and collection procedures, and
30 any other matters deemed relevant by the municipality with the
31 municipality having discretion as to the mechanism to be utilized.
32 The ordinance shall also contain findings that the imposition of the
33 franchise assessment is necessary because of the substantial risks
34 undertaken to develop a landfill reclamation improvement district,
35 and to offset loss of revenues by the municipality because of its
36 assignment of payments in lieu of taxes.

37 g. The ordinance shall provide for the collection of the
38 franchise assessment by an officer of the municipality who shall be
39 designated in the ordinance; shall provide methods for enforcement;
40 and may provide penalties for the violation of any of the provisions
41 of the ordinance.

42 h. All revenues collected under the ordinance and retained by
43 the municipality pursuant to this section shall be deposited in the
44 general fund of the municipality and may be used for general
45 municipal purposes, including the payment of salaries, construction,
46 reconstruction, maintenance, and repair of municipal buildings,
47 installations and properties, and for [such] other purposes as may

1 be provided by existing ordinances or ordinances hereafter enacted
2 for general municipal purposes.
3 (cf: P.L.1996, c.73, s.5)
4

5 12. This act shall take effect immediately, but shall remain
6 inoperative until July 1, 2015.
7
8

9 STATEMENT
10

11 This bill increases financial assistance to urban enterprise zones
12 (UEZs) over a seven-year period, by dedicating from the beginning
13 of Fiscal Year 2016 to the end of Fiscal Year 2022, one half of one
14 penny for every dollar of sales tax revenues, as increased annually,
15 in the sales tax of goods and services in UEZs subject to the tax, to
16 the accounts held in the Urban Enterprise Zone Assistance Fund
17 (UEZ Assistance Fund) in the name of the respective municipalities
18 having UEZs. The bill ends all UEZ Assistance fund appropriations
19 to UEZs at the end of the seven-year period and thereafter dedicates
20 all sales tax collection revenues in UEZs to the General Fund. In
21 doing so, the bill deletes the schedule of financial assistance to
22 UEZs and municipalities having UEZs as provided in current law
23 but continues the 20-year original designation period as well as the
24 one-time 16-year extension period for qualified UEZs. The bill
25 increases the sales tax in UEZs from 3.5 percent to seven percent
26 over the seven-year period to provide funding to UEZs from the
27 UEZ Assistance Fund.

28 The bill requires UEZs to contribute an increasing percentage
29 from at least 10 percent in Fiscal Year 2016, to at least 40 percent
30 in Fiscal Year 2020 and thereafter, of UEZ funds to be spent on
31 eligible capital projects and public improvements in UEZs and grant
32 and loan programs for qualified UEZ businesses.

33 Further, under the same designation period as for UEZs, the bill
34 increases the amount of the reduced sales tax collected by qualified
35 businesses located in UEZ-impacted business districts.