ASSEMBLY, No. 2150

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:
Assemblyman P. CHRISTOPHER TULLY
District 38 (Bergen and Passaic)

SYNOPSIS

Prohibits municipalities from granting tax exemptions to entities considering relocating from counties on New Jersey border if bordering state reciprocates.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.

AN ACT concerning municipal tax exemptions for entities relocating from border counties, supplementing P.L.1991, c.431 (C.40A:20-1 et seq.).

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

1. a. A municipality in a county bordering New York shall not grant a tax exemption pursuant to P.L.1991, c.431 (C.40A:20-1 et seq.) if the urban renewal entity intends to sell, lease, or transfer all or a portion of the redeveloped property to a business relocating from a New York county bordering New Jersey and such business is relocating because of the tax exemption.

If an urban renewal entity in a municipality in a county bordering New York sells, leases, or transfers all or a portion of the redeveloped project to a business relocating from a New York county bordering New Jersey, the tax exemption shall not apply to the sold, leased, or transferred property.

b. The provisions of this section shall be in effect during the period in which the state of New York implements restrictions substantially similar to this section, whether as a result of legislation or executive action.

c. As used in this section:

"New York county bordering New Jersey" means the counties of Orange, Rockland, and Westchester, and all of New York City; and

"municipality in a county bordering New York" means any municipality in the counties of Bergen, Essex, Hudson, Middlesex, Monmouth, Passaic, Sussex, and Union.

2. a. A municipality in a county bordering Pennsylvania shall not grant a tax exemption pursuant to P.L.1991, c.431 (C.40A:20-1 et seq.) if the urban renewal entity intends to sell, lease, or transfer all or a portion of the redeveloped property to a business relocating from a Pennsylvania county bordering New Jersey and such business is relocating because of the tax exemption.

If an urban renewal entity in a municipality in a county bordering Pennsylvania sells, leases, or transfers all or a portion of the redeveloped project to a business relocating from a Pennsylvania county bordering New Jersey, the tax exemption shall not apply to the sold, leased, or transferred property.

b. The provisions of this section shall be in effect during the period in which the state of Pennsylvania implements restrictions substantially similar to this section, whether as a result of legislation or executive action.

c. As used in this section:

"Pennsylvania county bordering New Jersey" means the counties of Bucks, Delaware, Monroe, Pike, Northampton, and Philadelphia; and

"municipality in a county bordering Pennsylvania" means any municipality in the counties of Burlington, Camden, Gloucester, Hunterdon, Mercer, Sussex, and Warren.

3. a. A municipality in a county bordering Delaware shall not grant a tax exemption pursuant to P.L.1991, c.431 (C.40A:20-1 et seq.) if the urban renewal entity intends to sell, lease, or transfer all or a portion of the redeveloped property to a business relocating from a Delaware county bordering New Jersey and such business is relocating because of the tax exemption.

If an urban renewal entity in a municipality in a county bordering Delaware sells, leases, or transfers all or a portion of the redeveloped project to a business relocating from a Delaware county bordering New Jersey, the tax exemption shall not apply to the sold, leased, or transferred property.

b. The provisions of this section shall be in effect during the period in which the state of Delaware implements restrictions substantially similar to this section, whether as a result of legislation or executive action.

c. As used in this section:

"Delaware county bordering New Jersey" means the counties of Kent and New Castle; and

"municipality in a county bordering Delaware" means any municipality in the counties of Cumberland, Gloucester, and Salem.

4. This act shall take effect immediately.

STATEMENT

This bill prohibits municipalities from granting tax exemptions under the "Long Term Tax Exemption Law" to entities considering relocating from a county in another state bordering New Jersey to a New Jersey county bordering the originating state. The bill lists which counties are considered border counties for each state.

Under the "Long Term Tax Exemption Law" a municipality may enter into an agreement with an urban renewal entity and grant tax exemptions on property that will be redeveloped by the urban renewal entity.

The bill prohibits a municipality in a border county from granting such a tax exemption if the urban renewal entity intends to sell or lease all or a portion of the redevelopment property to a business relocating from a county in another state bordering New Jersey and the business is relocating because of the exemption.

Pursuant to the bill, if the urban renewal entity sells, leases, or transfers all or part of the redevelopment project to a business relocating from a county bordering New Jersey, the tax exemption will not apply to the sold, leased, or transferred property.

The prohibitions will only be in place during the period in which the bordering state reciprocates the prohibition.