

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.



1 **AN ACT** concerning municipal tax exemptions for entities relocating
2 from border counties, supplementing P.L.1991, c.431
3 (C.40A:20-1 et seq.).
4

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

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

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

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

23 c. As used in this section:

24 “New York county bordering New Jersey” means the counties of
25 Orange, Rockland, and Westchester, and all of New York City; and

26 “municipality in a county bordering New York” means any
27 municipality in the counties of Bergen, Essex, Hudson, Middlesex,
28 Monmouth, Passaic, Sussex, and Union.
29

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

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

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

45 c. As used in this section:

46 “Pennsylvania county bordering New Jersey” means the counties
47 of Bucks, Delaware, Monroe, Pike, Northampton, and Philadelphia;
48 and

1 “municipality in a county bordering Pennsylvania” means any
2 municipality in the counties of Burlington, Camden, Gloucester,
3 Hunterdon, Mercer, Sussex, and Warren.

4
5 3. a. A municipality in a county bordering Delaware shall not
6 grant a tax exemption pursuant to P.L.1991, c.431 (C.40A:20-1 et
7 seq.) if the urban renewal entity intends to sell, lease, or transfer all
8 or a portion of the redeveloped property to a business relocating
9 from a Delaware county bordering New Jersey and such business is
10 relocating because of the tax exemption.

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

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

20 c. As used in this section:

21 “Delaware county bordering New Jersey” means the counties of
22 Kent and New Castle; and

23 “municipality in a county bordering Delaware” means any
24 municipality in the counties of Cumberland, Gloucester, and Salem.

25
26 4. This act shall take effect immediately.

27 28 29 STATEMENT

30
31 This bill prohibits municipalities from granting tax exemptions
32 under the “Long Term Tax Exemption Law” to entities considering
33 relocating from a county in another state bordering New Jersey to a
34 New Jersey county bordering the originating state. The bill lists
35 which counties are considered border counties for each state.

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

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

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

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