

SENATE, No. 477

STATE OF NEW JERSEY 219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Senator NICHOLAS J. SACCO

District 32 (Bergen and Hudson)

Senator M. TERESA RUIZ

District 29 (Essex)

Co-Sponsored by:

Senators Cunningham, Pou, Sarlo, Stack, Singer and Brown

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.



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, c.303
25 (C.52:27H-80), be extended by the authority, on a one-time basis,
26 for a period of 16 years, within 90 days after the effective date of
27 P.L.2001, c.347 (C.52:27H-66.2 et al.), or within 90 days after the
28 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, c.303
40 (C.52:27H-80), except as provided in subsection b. of section 6 of
41 P.L.1996, c.124 (C.13:1E-116.6), [and after first depositing 10] the
42 Department of the Treasury shall deposit 30 percent of the gross
43 amount of all revenues received from the taxation of retail sales
44 made by certified vendors from business locations in an extended
45 enterprise zone designated pursuant to subsection a. of this section,
46 to which this exemption shall apply, into the account created in the
47 name of the authority in the enterprise zone assistance fund

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 pursuant to section 29 of P.L.1983, c.303 (C.52:27H-88) **[,] and** the
2 remaining **[90] 70** percent shall be deposited **[immediately upon**
3 collection by the Department of the Treasury, as follows:

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

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

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

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

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

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

43 (cf: P.L.2001, c.347, s.11)

44
45 2. Section 21 of P.L.1983, c.303 (C.52:27H-80) is amended to
46 read as follows:

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

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

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

45 Notwithstanding any other provisions of law to the contrary,
46 except as provided in subsection b. of section 6 of P.L.1996, c.124
47 (C.13:1E-116.6), **【after first depositing 10】** the Department of the

1 Treasury shall deposit 30 percent of the gross amount of all
2 revenues received from the taxation of retail sales made by certified
3 sellers from business locations in designated enterprise zones to
4 which this exemption shall apply into the account created in the
5 name of the authority in the enterprise zone assistance fund
6 pursuant to section 29 of P.L.1983, c.303 (C.52:27H-88) **【.】** and the
7 remaining **【90】** 70 percent shall be deposited **【immediately upon**
8 collection by the Department of the Treasury, as follows:

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

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

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

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

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

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

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

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

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

16 (2) The State Treasurer shall maintain separate accounts for
17 each enterprise zone designated under P.L.1983, c.303 (C.52:27H-
18 60 et al.), and one in the authority's name for the administration of
19 the Urban Enterprise Zone program. The State Treasurer shall
20 credit to each account an amount of the moneys deposited in the
21 assistance fund equal to the amount of revenues collected from the
22 taxation of retail sales made in the zone and appropriated to the
23 enterprise zone assistance fund, or that amount of moneys
24 appropriated to the assistance fund and required to be credited to
25 the enterprise zone account of the qualifying municipality pursuant
26 to section 21 of P.L.1983, c.303 (C.52:27H-80).

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

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

47 b. The enterprise zone assistance fund shall be used for the
48 purpose of assisting qualifying municipalities in which enterprise

1 zones are designated in undertaking public improvements,
2 economic development projects, and in upgrading eligible
3 municipal services in designated enterprise zones.

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

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

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

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

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

24 (4) A statement of the time necessary to complete the project, or
25 of the time during which the increased municipal services are to be
26 maintained;

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

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

36 [As used in this section, "project" means an activity funded by
37 the zone assistance fund through the qualified municipality and
38 implemented by the zone development corporation, including the
39 purchasing, leasing, condemning, or otherwise acquiring of land or
40 other property, or an interest therein, in the enterprise zone or as
41 necessary for a right-of-way or other easement to or from the
42 enterprise zone; the relocating and moving of persons or businesses
43 displaced by the acquisition of land or property; the rehabilitation
44 and redevelopment of land or property, including demolition,
45 clearance, removal, relocation, renovation, alteration, construction,
46 reconstruction, installation, or repair of land or a building, street,
47 highway, alley, utility, service, or other structure or improvement
48 which will lead to increased economic activity within the zone; the

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

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

46 d. Upon adoption by the governing body of the qualifying
47 municipality and by the zone development corporation, **[the]** only a
48 proposal for undertaking a project shall be sent to the authority for

1 its evaluation and approval. The authority shall approve the
2 proposal if it shall find **【:】** that the proposed project furthers the
3 policy and intentions of the zone development plan approved by the
4 authority, and that the estimated annual payments for the project
5 from the enterprise zone account to which the proposal pertains are
6 not likely to result in a deficit in that account.

7 **【(1)** In the case of a project, that the proposed project furthers
8 the policy and intentions of the zone development plan approved by
9 the 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;**】** (Deleted by
12 amendment, P.L. , c.) (pending before the Legislature as this
13 bill)

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

35 e. If the authority shall approve the proposal for a project
36 submitted pursuant to subsection d. of this section, it shall annually,
37 upon its receipt of a written statement from the governing body of
38 the qualifying municipality and the zone development corporation,
39 certify to the State Treasurer the amount to be paid in that year from
40 the enterprise zone account in the enterprise zone assistance fund
41 with respect to each project **【or increase in eligible municipal**
42 **services】** approved. The authority may at any time revoke its
43 approval of a project **【or an increase in eligible municipal services】**
44 if it finds that the annual payments made from the enterprise zone
45 assistance fund are not being used as required by this section.

46 f. Upon certification by the authority of the annual amount to
47 be paid to a qualifying enterprise zone with respect to any project or

1 upon certification by the qualifying municipality of the annual
2 amount to be paid to a qualifying enterprise zone with respect to an
3 increase in eligible municipal services, the State Treasurer shall pay
4 in each year to the qualifying municipality from the amounts
5 deposited in the enterprise zone assistance fund the amount so
6 certified, within the limits of the amounts credited to the enterprise
7 zone account of the qualifying municipality.

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

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

1 Expenditures Reporting Act," P.L.1973, c.83 (C.19:44A-1 et al.)
2 and the costs associated therewith including the costs of an
3 administrative appraisal, economic and environmental analyses,
4 environmental remediation, engineering, planning, design,
5 architectural, surveying, or other professional or managerial
6 services.

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

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

14

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

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18

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STATEMENT

20

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

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