SENATE, No. 2237

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED MARCH 16, 2020

Sponsored by:
Senator JAMES BEACH
District 6 (Burlington and Camden)
Senator CHRIS A. BROWN
District 2 (Atlantic)

SYNOPSIS

"Atlantic City Urban Enterprise Zone and Property Tax Relief Act"; creates urban enterprise zone in Atlantic City for 10 years.

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 7/30/2020)

AN ACT concerning urban enterprise zones and designated as the Atlantic City Urban Enterprise Zone and Property Tax Relief Act, amending P.L.1983, c.303 and P.L.1995, c.382, and supplementing Title 52 of the Revised Statutes.

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

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

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

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

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

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

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

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

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

Approval as a qualified business shall be conditional upon meeting all outstanding tax obligations, and may be withdrawn by the authority if a business is continually delinquent in meeting its tax obligations. A casino shall not be deemed a qualified business, but a business operating on the property of a casino not owned by a casino shall be deemed a qualified business if the business otherwise meets the criteria provided in P.L.1983, c.303 (C.52:27H-60 et al.);

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.

d. "Qualifying municipality" means any municipality in which there was, in the last full calendar year immediately preceding the year in which application for enterprise zone designation is submitted pursuant to section 14 of P.L.1983, c.303 (C.52:27H-73), an annual average of at least 2,000 unemployed persons, and in which the municipal average annual unemployment rate for that year exceeded the State average annual unemployment rate; except that any municipality which qualifies for State aid pursuant to P.L.1978, c.14 (C.52:27D-178 et seq.) shall qualify if its municipal average annual unemployment rate for that year exceeded the State average annual unemployment rate. The annual average of unemployed persons and the average annual unemployment rates shall be estimated for the relevant calendar year by the **[**Office of Labor Planning and Analysis of the**]** State Department of Labor and Workforce Development. In addition to those municipalities that qualify pursuant to the criteria set forth above, the following municipalities shall also be deemed to be qualifying municipalities pursuant to the following criteria: (1) that municipality accorded priority designation pursuant to subsection e. of section 7 of P.L.1983, c.303 (C.52:27H-66) **[**,**]**; (2) those municipalities set forth in paragraph (7), paragraph (8), and paragraph (9) of subsection b. of section 3 of P.L.1995, c.382 (C.52:27H-66.1) **[**, and paragraph (9) of section 3 of P.L.1995, c.382 as amended by section 3 of P.L.2004, c.75**]** (C.52:27H-66.1) **[**, and**]**; (3) the municipalities in which the three additional enterprise zones, including the joint enterprise zone, are to be designated pursuant to criteria according priority consideration for designation of the zones pursuant to section 12 of P.L.2001, c.347 (C.52:27H-66.7) **[**shall be deemed qualifying municipalities**]**; and (4) the municipality in which the additional enterprise zone is to be designated pursuant to criteria according priority consideration for designation of the zone pursuant to paragraph (10) of subsection b. of section 3 of P.L.1995, c.382 (C.52:27H-66.1);

e. "Public assistance" means income maintenance funds administered by the Department of Human Services or by a county welfare agency;

f. "Zone development corporation" means a nonprofit corporation or association created or designated by the governing body of a qualifying municipality to formulate and propose a preliminary zone development plan pursuant to section 9 of P.L.1983, c.303 (C.52:27H-68) and to prepare, monitor, administer and implement the zone development plan;

g. "Zone development plan" means a plan adopted by the governing body of a qualifying municipality for the development of an enterprise zone therein, and for the direction and coordination of activities of the municipality, zone businesses, and community

organizations within the enterprise zone toward the economic betterment of the residents of the zone and the municipality;

h. "Zone neighborhood association" means a corporation or association of persons who either are residents of, or have their principal place of employment in, a municipality in which an enterprise zone has been designated pursuant to **[**this act**]** P.L.1983, c.303 (C.52:27H-60 et al.); which is organized under the provisions of Title 15 of the Revised Statutes or Title 15A of the New Jersey Statutes; and which has for its principal purpose the encouragement and support of community activities within, or on behalf of, the zone so as to (1) stimulate economic activity, (2) increase or preserve residential amenities, or (3) otherwise encourage community cooperation in achieving the goals of the zone development plan;

i. "Enterprise zone assistance fund" or "assistance fund" means the fund created by section 29 of P.L.1983, c.303 (C.52:27H-88); **[**and**]**

j. "UEZ-impacted business district" or "district" means an economically-distressed business district classified by the authority as having been negatively impacted by two or more adjacent urban enterprise zones in which **[**50%**]** 50 percent less sales tax is collected pursuant to section 21 of P.L.1983, c.303 (C.52:27H-80);

k. "Director" means the Director of the Division of Taxation in the Department of the Treasury;

l. "State Treasurer" means the Treasurer of the State of New Jersey; and

m. "Casino" means a licensed casino or gambling house located in Atlantic City at which casino gambling is conducted pursuant to the provisions of P.L.1977, c.110 (C.5:12-1 et seq.).

(cf: P.L.2006, c.34, s.3)

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

7. The authority shall designate enterprise zones from among those areas of qualifying municipalities determined to be eligible pursuant to P.L.1983, c.303 (C.52:27H-60 et seq.). No more than **[**32**]** 33 enterprise zones shall be in effect at any one time. No more than one enterprise zone shall be designated in any one municipality. In designating enterprise zones the authority shall seek to avoid excessive geographic concentration of zones in any particular region of the State. At least six of the 10 additional enterprise zones authorized pursuant to section 3 of P.L.1993, c.367 shall be located in counties in which enterprise zones have not previously been designated and shall be designated within 90 days of the date of the submittal of an application and zone development plan. The authority shall accept applications within 90 days of the effective date of P.L.1993, c.367. Notwithstanding the provisions of P.L.1983, c.303 (C.52:27H-60 et seq.) to the contrary, the six

additional enterprise zones to be designated by the authority pursuant to the criteria for priority consideration in this section shall be entitled to an exemption to the extent of 50 percent of the tax imposed under the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.). The following criteria shall be utilized in according priority consideration for designation of these zones by the authority:

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

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

c. One zone shall be located in a county of the third class with a population greater than 84,000 and less than 92,000 according to the latest federal decennial census and shall be located in the qualifying municipality in that county with the highest annual average number of unemployed persons and the highest average annual unemployment rate for the 1992 calendar year according to the estimate by the State Department of Labor and Workforce Development;

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

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

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

(3) each of the municipalities has a population greater than 16,000 and less than 30,000 and a population density of more than

5,000 persons per square mile, according to the latest federal decennial census; and

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

(cf: P.L.2018, c.19, s.1)

3. Section 3 of P.L.1995, c.382 (C.52:27H-66.1) is amended to read as follows:

3. a. The additional seven zones authorized pursuant to P.L.1995, c.382 (C.52:27H-66.1 et al.), the additional zone authorized pursuant to P.L.2003, c.285, **[**and**]** the additional zone designated pursuant to P.L.2004, c.75, and the additional zone designated pursuant to P.L. , c. (C.) (pending before the Legislature as this bill) shall be designated within 90 days of the date of the submittal of an application and zone development plan. The authority shall accept applications within 90 days of the effective date of P.L.1995, c.382 (C.52:27H-66.1 et al.) **[**or**]**, P.L.2003, c.285, P.L.2004, c.75, or P.L. , c. (C.) (pending before the Legislature as this bill), as applicable, for those zones that fulfill the criteria set forth in this section. Notwithstanding the provisions of P.L.1983, c.303 (C.52:27H-60 et seq.) to the contrary, the **[**nine**]** 10 additional enterprise zones to be designated by the authority pursuant to the criteria for priority consideration set forth in this section shall be entitled to an exemption to the extent of **[**50%**]** 50 percent of the tax imposed under the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.).

b. The following criteria shall be utilized in according priority consideration for designation of the seven additional enterprise zones authorized pursuant to P.L.1995, c.382 (C.52:27H-66.1 et al.), the additional enterprise zone authorized pursuant to P.L.2003, c.285, **[**and**]** the additional zone designated pursuant to P.L.2004, c.75, and the additional enterprise zone authorized pursuant to P.L. , c. (C.) (pending before the Legislature as this bill):

(1) One zone shall be located in a qualifying municipality with a population greater than 55,000 and less than 65,000 according to the latest federal decennial census in a county of the first class with a population density greater than 6,100 and less than 6,700 persons per square mile according to the latest federal decennial census provided that the qualifying municipality is contiguous to a municipality in which an enterprise zone is designated;

(2) One zone shall be located in a qualifying municipality with a population greater than 70,000 and less than 80,000 according to the latest federal decennial census;

(3) One zone shall be located in a qualifying municipality with a

population greater than 38,000 and less than 39,500 according to the latest federal decennial census;

(4) One zone shall be located in a qualifying municipality with a population greater than 45,000 and less than 55,000 according to the latest federal decennial census;

(5) One zone shall be located in a qualifying municipality with a population greater than 21,000 and less than 22,000;

(6) One zone shall be located in a qualifying municipality with a population greater than 29,000 and less than 32,000 according to the latest federal decennial census;

(7) One zone shall be located within a qualifying municipality having a population greater than 7,000 and less than 9,000 according to the latest federal decennial census in a county of the first class with a population greater than 550,000 and less than 560,000 according to the latest federal decennial census;

(8) An additional zone shall be located within a qualifying municipality with a population greater than 11,400 and less than 11,600 according to the latest federal decennial census in a county of the second class with a population greater than 500,000 and less than 520,000 according to the latest federal decennial census; **[**and**]**

(9) An additional zone shall be located within a qualifying municipality with a population greater than 48,000 and less than 49,000 according to the latest federal decennial census in a county of the second class with a population of greater than 750,000 according to the latest federal decennial census; and

(10) An additional zone shall be located within a qualifying municipality, in which casino gaming is authorized, with a population greater than 38,500 and less than 40,500 according to the latest federal decennial census in a county of the fifth class with a population greater than 260,000 and less than 300,000, according to the latest federal decennial census.

(cf: P.L.2004, c.75, s.3)

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

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

percent of the tax imposed under the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.).

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

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

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

a. In the first five-year period during which the State shall have collected reduced rate revenues within an enterprise zone, all **[**such**]** of those revenues shall be deposited in the enterprise zone

assistance fund created pursuant to section 29 of P.L.1983, c.303 (C.52:27H-88);

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

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

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

Commencing on the effective date of P.L.1993, c.144, all revenues in any enterprise zone to which the provisions of this section have been extended prior to the enactment of P.L.1993, c.144 shall be deposited into the enterprise zone assistance fund until there shall have been deposited all revenues into that fund for a total of five full years, as set forth in subsection a. of this section. The State Treasurer then shall proceed to deposit funds into the enterprise zone assistance fund according to the schedule set forth in subsections b. through d. of this section, beginning at the point where the enterprise zone was located on that schedule on the effective date of P.L.1993, c.144. ⟦No⟧ An enterprise zone shall not receive the deposit benefit granted by any one subsection of this section for more than five cumulative years.

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

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

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

29. a. (1) There is created an enterprise zone assistance fund to be held by the State Treasurer, which shall be the repository for all moneys required to be deposited therein ⟦under⟧ pursuant to section 21 of P.L.1983, c.303 (C.52:27H-80) or moneys appropriated annually to the assistance fund. All moneys deposited in the assistance fund shall be held and disbursed in the amounts necessary to fulfill the purposes of this section and subject to the requirements hereinafter prescribed. The State Treasurer may invest and reinvest any moneys in the assistance fund, or any

portion thereof, in legal obligations of the United States or of the State or of any political subdivision thereof. Any income from, interest on, or increment to moneys so invested or reinvested shall be included in the assistance fund.

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

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

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

b. ⟦The⟧ Except as provided in section 6 of P.L. , c. (C.) (pending before the Legislature as this bill), the enterprise zone assistance fund shall be used for the purpose of assisting qualifying municipalities in which enterprise zones are designated in undertaking economic development projects in designated enterprise zones.

c. The governing body of a qualifying municipality in which an enterprise zone is designated and the zone development corporation created or designated by the qualifying municipality for that enterprise zone may, by resolution jointly adopted after public hearing, propose to undertake an economic development project in the enterprise zone, and to fund that project from moneys deposited

in the enterprise zone assistance fund and credited to the account maintained by the State Treasurer for the enterprise zone.

The proposal so adopted shall set forth a plan for the project and shall include:

(1) A description of the proposed project;

(2) An estimate of the total project costs, and an estimate of the amounts of funding necessary annually from the enterprise zone account;

(3) A statement of any other revenue sources to be used to finance the project;

(4) A statement of the time necessary to complete the project;

(5) A statement of the manner in which the proposed project furthers the municipality's policy and intentions for addressing economic development in the enterprise zone as set forth in the zone development plan approved by the authority; and

(6) A description of the financial and programmatic controls and reporting mechanisms to be used to guarantee that the funds will be spent in accordance with the plan and that the project will accomplish its purpose.

As used in this section, "project" means an activity funded by the enterprise zone assistance fund through the **[**qualified**]** qualifying municipality and implemented by the zone development corporation, which will lead to the creation of new jobs and increased economic activity within the enterprise zone, such as: the establishment of revolving loan programs for qualified businesses in the enterprise zone to encourage private investment and job creation, and marketing, advertising and special event activities that will lead to increased economic activity or encourage private investment and job creation in the zone, but not including the expenditures therefor which are required to be reported pursuant to "The New Jersey Campaign Contributions and Expenditures Reporting Act," P.L.1973, c.83 (C.19:44A-1 et al.) and the costs associated therewith including the costs of economic analyses.

d. Upon adoption by the governing body of the qualifying municipality and by the zone development corporation, the proposal shall be sent to the authority for its evaluation and approval. The authority shall approve the proposal if it shall find that the proposed project furthers the policy and intentions of the zone development plan approved by the authority, and that the estimated annual payments for the project from the enterprise zone account to which the proposal pertains are not likely to result in a deficit in that account.

e. If the authority shall approve the proposal, it shall annually, upon its receipt of a written statement from the governing body of the qualifying municipality and the zone development corporation, certify to the State Treasurer the amount to be paid in that year from the enterprise zone account in the enterprise zone assistance fund with respect to each approved project. The authority may at any

time revoke its approval of a project if it finds that the annual payments made from the enterprise zone assistance fund are not being used as required by this section.

f. Upon certification by the authority of the annual amount to be paid to a qualifying enterprise zone with respect to any project, the State Treasurer shall pay in each year to the qualifying municipality from the amounts deposited in the enterprise zone assistance fund the amount so certified, within the limits of the amounts credited to the enterprise zone account of the qualifying municipality.

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

(cf: P.L.2018, c.19, s.4.)

6. (New section) a. Notwithstanding the provisions of sections 7 and 21 of P.L.1983, c.303 (C.52:27H-66 and C.52:27H-80), for an enterprise zone designated pursuant to the provisions of paragraph (10) of subsection b. of section 3 of P.L.1995, c.382 (C.52:27H-66.1), the receipts of all retail sales of goods not exempted from the provisions of section 21 of P.L.1983, c.303 (C.52:27H-80) from a seller who is certified by the director pursuant to that section, shall be exempt to the extent of 50 percent of the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.) but shall be collected in a manner consistent with that act. The revenues derived from the sales tax collected from those retail sales shall be divided as follows: (1) for the first five years of the designation as an enterprise zone, the General Fund of the State of New Jersey shall receive zero percent; and the remaining 100 percent shall be deposited into the separate account maintained within the enterprise zone assistance fund for the applicable qualifying municipality’s enterprise zone trust fund account; and (2) for the second and final five years of the designation as an enterprise zone, the General Fund of the State of New Jersey shall receive 70 percent; and the remaining 30 percent shall be deposited into the separate account maintained within the enterprise zone assistance fund for the applicable qualifying municipality’s enterprise zone trust fund account.

b. Notwithstanding the provisions of section 29 of P.L.1983, c.303 (C.52:27H-88), all of the revenues deposited into the separate account maintained within the enterprise zone assistance fund for the applicable qualifying municipality's enterprise zone trust fund account shall be used by the qualifying municipality for the purpose of providing local property tax relief.

7. This act shall take effect immediately.

STATEMENT

This bill, designated as the "Atlantic City Urban Enterprise Zone and Property Tax Relief Act," authorizes the creation of an urban enterprise zone (zone) in the city of Atlantic City for a one-time term of 10 years. The zone authorized under this bill would be the 33rd zone created under the Urban Enterprise Zone program, which was first authorized in 1983. The additional zone authorized pursuant to this bill is required to be designated within 90 days of the date of the submittal of an application and zone development plan by the municipality. Qualifying retail businesses in the additional zone to be designated pursuant to the criteria for priority consideration set forth in the bill would be entitled to collect sales and use tax reduced to the extent of 50 percent of the sales and use tax (SUT). A business operating as a casino is not eligible for the benefits of an eligible business under the UEZ program but a business operating on casino property not owned by a casino business may be eligible if it otherwise meets the criteria for business eligibility. During the first five years, all of the SUT revenues collected are to be appropriated for use by Atlantic City and during the second final five years, 66.5 percent of the SUT revenues collected are to be appropriated for use by Atlantic City. These revenues are to be used by Atlantic City to provide local property tax relief.

This bill is meant to address the negative economic conditions experienced by Atlantic City over the past several years as the city transitions from a casino gaming destination to a general-interest tourist destination.