

[First Reprint]

ASSEMBLY, No. 2623

STATE OF NEW JERSEY

213th LEGISLATURE

INTRODUCED MAY 12, 2008

Sponsored by:

Assemblyman JOHN F. MCKEON

District 27 (Essex)

Assemblywoman MILA M. JASEY

District 27 (Essex)

Assemblywoman ELEASE EVANS

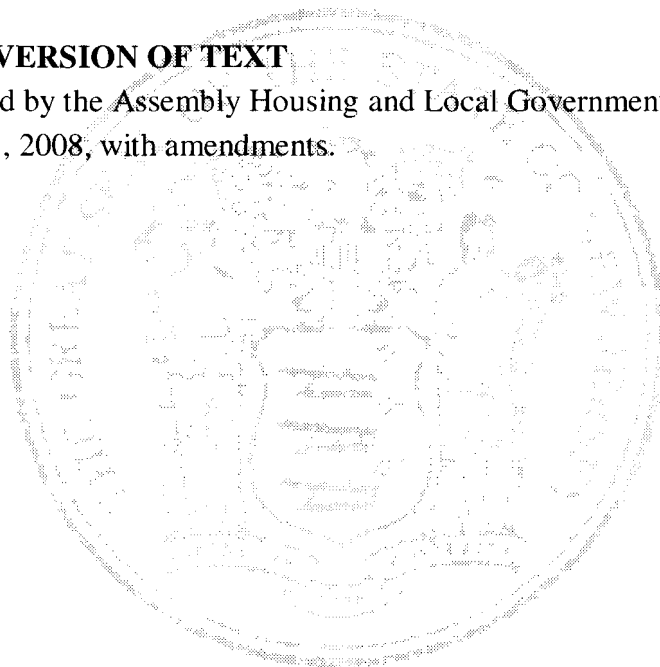
District 35 (Bergen and Passaic)

SYNOPSIS

Extends program eligibility to areas located to municipalities contiguous to those currently qualified to participate in the Neighborhood Revitalization Tax Credit Program.

CURRENT VERSION OF TEXT

As reported by the Assembly Housing and Local Government Committee on September 15, 2008, with amendments.



(Sponsorship Updated As Of: 9/26/2008)

1 AN ACT amending P.L.2001, c.415, the "Neighborhood
2 Revitalization State Tax Credit Act."

3

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

6

7 1. Section 2 of P.L.2001, c.415 (C.52:27D-491) is amended to
8 read as follows:

9 2. As used in this act:

10 "Assistance" means the contribution of moneys to aid in the
11 provision of neighborhood preservation and revitalization services
12 or community services.

13 "Business entity" means any business firm or individual which is
14 authorized to conduct or operate a trade or business in the State and
15 is subject to taxes on business related income.

16 "Certificate for neighborhood revitalization State tax credits"
17 means the certificate in the form prescribed by the Treasurer and
18 issued by the commissioner to a business entity that specifies the
19 dollar amount of neighborhood preservation and revitalization State
20 tax credits that business entity may take as an annual credit against
21 certain State taxes pursuant to P.L.2001, c.415 (C.52:27D-490 et
22 seq.).

23 "Commissioner" means the Commissioner of Community
24 Affairs.

25 "Department" means the Department of Community Affairs.

26 "Eligible neighborhood" means : **[(1)] a.** a contiguous area
27 located in one or more municipalities that, at the time of the
28 application to the department for approval of a neighborhood
29 preservation and revitalization plan, are either eligible to receive aid
30 under the "Special Municipal Aid Act," P.L.1987, c.75 (C.52:27D-
31 118.24 et seq.) or coextensive with a school district which qualified
32 prior to the effective date of P.L.2007, c.260 (C.18A:7F-43 et al.)
33 for designation as an "Abbott district" pursuant to the
34 "Comprehensive Educational Improvement and Financing Act of
35 1996," P.L.1996, c.138 (C.18A:7F-1 et al.); **or [(2)] b.** an area
36 that [(a)] (1) is adjacent to a neighborhood that fulfills the
37 requirements of [subparagraph (1)] subsection a. of this
38 definition, [and (b)] and has received approval of a neighborhood
39 preservation and revitalization plan pursuant to section 5 of
40 P.L.2001, c.415 (C.52:27D-494), (2) increases the area of the
41 adjacent eligible neighborhood by no more than 25 percent; and (3)
42 shares similar characteristics as determined by the commissioner or
43 [(his)] the commissioner's designee.

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly AHO committee amendments adopted September 15, 2008.

1 "Housing and economic development activities" means those
2 activities carried out in furtherance of a neighborhood preservation
3 and revitalization plan in an eligible neighborhood approved
4 pursuant to P.L.2001, c.415 (C.52:27D-490 et seq.), to improve the
5 housing and economic conditions of the neighborhood; and shall
6 include, without limitation, measures to foster the rehabilitation and
7 construction of housing affordable to low and moderate income
8 households within the neighborhood, including planning, design,
9 rehabilitation, construction, and management of low and moderate
10 income housing, home buyer counseling, and related activities
11 needed to effectuate the rehabilitation and construction of housing
12 affordable to low and moderate income households; measures to
13 increase business activity within the neighborhood, including the
14 rehabilitation and construction of commercial facilities and the
15 provision of assistance to small business entities; and measures to
16 increase the income and labor force participation of neighborhood
17 residents, including provision of education, training, child care and
18 transportation assistance to enable low income neighborhood
19 residents to obtain or retain employment.

20 "Low income household" means a household whose gross
21 household income is less than 50 percent of the median gross
22 household income for the region in which the neighborhood is
23 located for households of similar size as determined by the
24 department.

25 "Moderate income household" means a household whose gross
26 household income is greater than or equal to 50 percent but less
27 than 80 percent of the median gross household income of the region
28 in which the neighborhood is located for households of similar size
29 as determined by the department.

30 "Neighborhood preservation and revitalization activities" means
31 housing and economic development activities and other
32 neighborhood preservation and revitalization activities.

33 "Neighborhood Revitalization Plan" means a plan for the
34 preservation or revitalization of an eligible neighborhood.

35 "Nonprofit organization" means a private nonprofit corporation
36 that has been determined by the Internal Revenue Service of the
37 United States Department of the Treasury to be exempt from
38 income taxation under 26 U.S.C.s.501(c)(3).

39 "Other Neighborhood Revitalization Activities" means those
40 activities, other than housing and economic development activities,
41 carried out in furtherance of a State-approved neighborhood
42 preservation and revitalization plan in a qualified low and moderate
43 income neighborhood, and may include, without limitation,
44 improvements to infrastructure, street scape, public open space, and
45 transportation systems; provision of social and community services,
46 health care, crime prevention, recreation activities, community and
47 environmental health services; and community outreach and
48 organizing activities.

1 "Qualified nonprofit organization" means a nonprofit
2 organization that has demonstrated a commitment to the
3 neighborhood for which it is submitting a plan or project, as
4 reflected in its past activities or proposed activities in a preservation
5 and revitalization plan.

6 "Qualified project" means one or more housing and economic
7 development activities and which may also include one or more
8 other neighborhood revitalization activities to be carried out in
9 accordance with a neighborhood revitalization plan as approved by
10 the commissioner with funds provided by a business entity eligible
11 to receive a certificate for neighborhood revitalization State tax
12 credits.

13 "Similar characteristics" means comparable socioeconomic
14 qualities as determined by the commissioner or his designee, using
15 the smallest Census unit for which data are available.

16 (cf: P.L.2007, c.260, s.81)

17

18 2. This act shall take effect immediately.

1 other neighborhood revitalization activities to be carried out in
2 accordance with a neighborhood revitalization plan as approved by
3 the commissioner with funds provided by a business entity eligible
4 to receive a certificate for neighborhood revitalization State tax
5 credits.

6 “Similar characteristics” means comparable socioeconomic
7 qualities as determined by the commissioner or his designee, using
8 the smallest Census unit for which data are available.

9 (cf: P.L.2007, c.260, s.81)

10
11 2. This act shall take effect immediately.

12
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14 SPONSORS STATEMENT

15
16 This bill amends the “Neighborhood Revitalization State Tax
17 Credit Act,” P.L.2001, c.415 (C.52:27D-490 et seq.) to extend
18 Program eligibility to areas that are adjacent to neighborhoods that
19 are currently qualified to participate in the Neighborhood
20 Revitalization Tax Credit Program. The area must share similar
21 socioeconomics characteristics with the eligible neighborhood, as
22 determined by the Commissioner of Community Affairs

23 Under current law, a neighborhood is eligible for participation in
24 the Neighborhood Revitalization Tax Credit Program if, at the time
25 of its application for approval of its neighborhood preservation and
26 revitalization plan, the municipality in which the neighborhood is
27 located is eligible to receive aid under the “Special Municipal Aid
28 Act,” P.L.1987, c.75 (C.52:27D-118.24 et seq.) or is coextensive
29 with a school district which qualified, prior to the effective date of
30 P.L.2007, c.260 (C.18A:7F-43 et al.), for designation as an “Abbot
31 district” pursuant to the “Comprehensive Educational Improvement
32 and Financing Act of 1996,” P.L.1996, c.138 (C.18A:7F-1 et al.).

33 The Neighborhood Revitalization Tax Credit Program is
34 designed to foster the revitalization of areas of New Jersey’s
35 distressed cities. The program offers business entities that invest in
36 the revitalization of low- and moderate-income neighborhoods in
37 eligible cities a 100 percent tax credit against various State taxes.
38 Sixty percent of the tax credit funds must be used for activities
39 related to the development of housing and increased economic
40 activity. The remaining balance must be used to provide assistance
41 to small businesses and foster the integration of mixed-income
42 neighborhoods. A total of \$10 million in tax credits per year is
43 available to be awarded on a rolling basis.

44 By extending the Neighborhood Revitalization Tax Credit
45 Program to areas that are both adjacent to currently participating
46 neighborhoods and have similar socioeconomic characteristics, this
47 bill is intended to help decrease the disparities that exist between
48 different neighborhoods located in a particular municipality by

A2623 MCKEON, JASEY

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- 1 providing tax credits to businesses located in a depressed
- 2 neighborhood bordering a municipality that is currently eligible to
- 3 participate in the program.

ASSEMBLY HOUSING AND LOCAL GOVERNMENT
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2623

with committee amendments

STATE OF NEW JERSEY

DATED: SEPTEMBER 15, 2008

The Assembly Housing and Local Government Committee reports favorably and with committee amendments Assembly Bill No. 2623.

This bill, as amended, revises the "Neighborhood Revitalization State Tax Credit Act," P.L.2001, c.415 (C.52:27D-490 et seq.) to extend program eligibility to areas that are adjacent to neighborhoods that are currently qualified to participate in the Neighborhood Revitalization Tax Credit Program, and that have received approval of a neighborhood preservation and revitalization plan pursuant to Section 5 of P.L.2001, c.415 (C.52:27D-490 et seq.) and which plan will not increase the area of the adjacent eligible neighborhood by more than 49 percent. The adjacent area must share similar socioeconomics characteristics with the eligible neighborhood, as determined by the Commissioner of Community Affairs

Under current law, a neighborhood is eligible for participation in the Neighborhood Revitalization Tax Credit Program if, at the time of its application for approval of its neighborhood preservation and revitalization plan, the municipality in which the neighborhood is located is eligible to receive aid under the "Special Municipal Aid Act," P.L.1987, c.75 (C.52:27D-118.24 et seq.) or is coextensive with a school district which qualified, prior to the effective date of P.L.2007, c.260 (C.18A:7F-43 et al.), for designation as an "Abbot district" pursuant to the "Comprehensive Educational Improvement and Financing Act of 1996," P.L.1996, c.138 (C.18A:7F-1 et al.).

The Neighborhood Revitalization Tax Credit Program is designed to foster the revitalization of areas of New Jersey's distressed cities. The program offers business entities that invest in the revitalization of low- and moderate-income neighborhoods in eligible cities a 100 percent tax credit against various State taxes. Sixty percent of the tax credit funds must be used for activities related to the development of housing and increased economic activity. The remaining balance must be used to provide assistance to small businesses and foster the integration of mixed-income neighborhoods. A total of \$10 million in tax credits per year is available to be awarded on a rolling basis.

Committee amendments

The committee amended the bill to expand the definition of "eligible neighborhood" to include adjacent neighborhoods. The amendments require that these adjacent neighborhoods have received approval of a neighborhood revitalization plan, and that the area of the adjacent neighborhood will not be expanded by more than 25 percent by the plan.

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 2623

STATE OF NEW JERSEY

DATED: MAY 4, 2009

The Senate Community and Urban Affairs Committee reports favorably Assembly Bill No. 2623(1R).

This bill amends the “Neighborhood Revitalization State Tax Credit Act,” P.L.2001, c.415 (C.52:27D-490 et seq.) to extend program eligibility to areas that are adjacent to neighborhoods that currently qualify to participate in the Neighborhood Revitalization Tax Credit Program, and that share similar socioeconomics characteristics with the eligible neighborhood.

Under current law, a neighborhood is eligible for participation in the Neighborhood Revitalization Tax Credit Program if, at the time of its application for approval of its neighborhood preservation and revitalization plan, the municipality in which the neighborhood is located is eligible to receive aid under the “Special Municipal Aid Act,” P.L.1987, c.75 (C.52:27D-118.24 et seq.) or is coextensive with a school district which qualified, prior to the effective date of P.L.2007, c.260 (C.18A:7F-43 et al.), for designation as an “Abbot district” pursuant to the “Comprehensive Educational Improvement and Financing Act of 1996,” P.L.1996, c.138 (C.18A:7F-1 et al.).

By extending the Neighborhood Revitalization Tax Credit Program to areas that are both adjacent to currently participating neighborhoods and have similar socioeconomic characteristics, this bill helps to decrease the disparities that exist between different neighborhoods located in a particular municipality by providing tax credits to businesses located in a depressed neighborhood bordering a municipality that is currently eligible to participate in the program. The bill limits the extension of the tax credit to adjacent areas that are no more than 25% the area of the neighborhood currently participating in the program.