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CL/MM

P.L. 2023, CHAPTER 282, *approved January 16, 2024*  
Senate, No. 3837 (*Second Reprint*)

1 AN ACT concerning urban enterprise zones, amending P.L.1983,  
2 c.303 and P.L.2021, c.197 <sup>2</sup>【, and making an appropriation】<sup>2</sup>.

3  
4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6  
7 1. Section 21 of P.L.1983, c.303 (C.52:27H-80) is amended to  
8 read as follows:

9 21. a. (1) Receipts of retail sales, 【except retail sales of motor  
10 vehicles, of alcoholic beverages as defined in the "Alcoholic  
11 Beverage Tax Law," R.S.54:41-1 et seq., of cigarettes as defined in  
12 the "Cigarette Tax Act," P.L.1948, c.65 (C.54:40A-1 et seq.), of  
13 manufacturing machinery, equipment or apparatus, and of energy,】  
14 made by a seller located in an eligible block group, as defined in  
15 subsection a. of section 12 of P.L.2021, c.197 (C.52:27H-99) and  
16 provided a UZ-2 certification by the authority from a place of  
17 business owned or leased and regularly operated by the seller for  
18 the purpose of making retail sales, and located in a designated  
19 enterprise zone established pursuant to the "New Jersey Urban  
20 Enterprise Zones Act," P.L.1983, c.303 (C.52:27H-60 et seq.), or a  
21 UEZ-impacted business district established prior to the effective  
22 date of P.L.2021, c.197 pursuant to section 3 of P.L.2001, c.347  
23 (C.52:27H-66.2), 【are】 shall be exempt to the extent of 50 percent  
24 of the tax imposed under the "Sales and Use Tax Act," P.L.1966,  
25 c.30 (C.54:32B-1 et seq.).

26 (2) As used in this section, the term "retail sales" means all  
27 retail sales except retail sales of:

28 (1) motor vehicles;

29 (2) alcoholic beverages as defined in the "Alcoholic <sup>1</sup>【Beverage  
30 Tax Law,】 beverage tax law,"<sup>1</sup> R.S.54:41-1 et seq.;

31 (3) cigarettes as defined in the "Cigarette Tax Act," P.L.1948,  
32 c.65 (C.54:40A-1 et seq.);

33 (4) manufacturing machinery, equipment or apparatus;

34 (5) energy;

35 (6) medical cannabis and <sup>2</sup>【related supplies】 cannabis products<sup>2</sup>  
36 sold under the "Jake Honig Compassionate Use Medical Cannabis  
37 Act<sup>1</sup>【,】 ,"<sup>1</sup> P.L.2009, c.307 (C.24:6I-1 et seq.); and

**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:

<sup>1</sup>Senate SEG committee amendments adopted June 8, 2023.

<sup>2</sup>Assembly AAP committee amendments adopted January 4, 2024.

1       (7) recreational cannabis and <sup>2</sup>[related supplies] cannabis  
2 products<sup>2</sup> sold under the “New Jersey Cannabis Regulatory,  
3 Enforcement Assistance, and Marketplace Modernization Act<sup>1</sup>”,]  
4 .”<sup>1</sup> P.L.2021, c.16 (C.24:6I-31 et seq.).

5       b. Any seller, which is a qualified business having a place of  
6 business located in a designated enterprise zone or in a designated  
7 UEZ-impacted business district, may apply to the UEZ Authority  
8 for a UZ-2 certification pursuant to this section provided the seller  
9 is located in an eligible block group, as defined in subsection a. of  
10 section 12 of P.L.2021, c.197 (C.52:27H-99). The UEZ Authority  
11 shall certify a seller if the UEZ Authority shall find that the seller  
12 owns or leases and regularly operates a place of business located in  
13 the designated enterprise zone or in the designated UEZ-impacted  
14 business district for the purpose of making retail sales, that items  
15 are regularly exhibited and offered for retail sale at that location,  
16 and that the place of business is not utilized primarily for the  
17 purpose of catalogue or mail order sales. The certification under  
18 this section shall remain in effect during the time the business  
19 retains its status as a qualified business meeting the eligibility  
20 criteria of section 27 of P.L.1983, c.303 (C.52:27H-86). However,  
21 the UEZ Authority may at any time revoke a certification granted  
22 pursuant to this section if the UEZ Authority shall determine that  
23 the seller no longer complies with the provisions of this section.  
24 The Department of the Treasury shall provide to a qualified  
25 business a certificate evidencing its UZ-2 certification, which  
26 certificate shall indicate the location at which the sales tax  
27 exemption provided for in this section is available.

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

39       d. Notwithstanding any other provision of law to the contrary,  
40 the gross amount of all revenues received from the taxation of retail  
41 sales to which the exemption under this section applies, except for  
42 amounts credited to the Property Tax Reform Account in the  
43 Property Tax Relief Fund pursuant to paragraph 7 of Section I of  
44 Article VIII of the New Jersey Constitution, shall be deposited  
45 immediately upon collection by the Department of the Treasury into  
46 the enterprise zone assistance fund created pursuant to section 29 of  
47 P.L.1983, c.303 (C.52:27H-88); provided, however, tax collected at  
48 the site of a redevelopment project which is the subject of a

1 redevelopment agreement with the State pursuant to section 3 of  
2 P.L.1996, c.124 (C.13:1E-116.3) shall be credited to the Municipal  
3 Landfill Closure and Remediation Fund pursuant to subsection b. of  
4 section 6 of P.L.1996, c.124 (C.13:1E-116.6) and tax revenues on  
5 retail sales of cannabis items shall be credited to the Cannabis  
6 Regulatory, Enforcement Assistance, and Marketplace  
7 Modernization Fund and the Underage Deterrence and Prevention  
8 Account pursuant to subsection a. of section 41 of P.L.2021, c.16  
9 (C.24:6I-50).  
10 (cf: P.L.2021, c.197, s.9)  
11

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

14 29. a. (1) There is created an enterprise zone assistance fund to  
15 be held by the State Treasurer, which shall be the repository for all  
16 moneys required to be deposited therein under section **11** of  
17 P.L.2021, c.197 (C.52:27H-98) **21** of P.L.1983, c.303 (C.52:27H-  
18 80), as amended by this act, P.L. , c. (pending before the  
19 Legislature as this bill), **1****or** **and** **1** moneys appropriated annually  
20 to the fund. All moneys **deposited** in the fund shall be held and  
21 disbursed in **the amounts** accordance with this section and section  
22 11 of P.L.2021, c.197 (C.52:27H-98) as necessary to fulfill the  
23 purposes of this section and subject to the requirements hereinafter  
24 prescribed. The State Treasurer may invest and reinvest any moneys  
25 in the fund, or any portion thereof, to strengthen capital structures,  
26 leverage additional debt capital, and increase lending and investing  
27 in economically disadvantaged communities, and in any other  
28 manner that advances the goals of the Urban Enterprise Zone  
29 program, including, but not limited to<sup>1,1</sup> legal obligations of the  
30 United States or of the State or of any political subdivision thereof  
31 or government-sponsored enterprises. Any income from, interest on,  
32 or increment to moneys so invested or reinvested shall be included  
33 in the fund.

34 **Notwithstanding the provisions of section 11 of P.L.2021, c.197**  
35 **(C.52:27H-98) or any other provision of law to the contrary, the**  
36 **The amount to be deposited** in the enterprise zone assistance  
37 fund, which shall be available to fulfill the purposes of this section,  
38 shall be as follows:

39 (a) In the first five State fiscal years next following the effective  
40 date of P.L.2021, c.197, 100 percent of the amount determined  
41 pursuant to section 11 of P.L.2021, c.197 (C.52:27H-98) shall be  
42 **deposited in the enterprise zone assistance fund** available to  
43 fulfill the purposes of this section;

44 (b) In the sixth State fiscal year next following the effective date  
45 of P.L.2021, c.197, 95 percent of the amount determined pursuant  
46 to section 11 of P.L.2021, c.197 (C.52:27H-98) shall be **deposited**  
47 **in the enterprise zone assistance fund** available to fulfill the

1 purposes of this section and five percent of such amount shall be  
2 deposited in the General Fund;

3 (c) In the seventh State fiscal year next following the effective  
4 date of P.L.2021, c.197, 90 percent of the amount determined  
5 pursuant to section 11 of P.L.2021, c.197 (C.52:27H-98) shall be  
6 **【deposited in the enterprise zone assistance fund】** available to  
7 fulfill the purposes of this section and 10 percent of such amount  
8 shall be deposited in the General Fund;

9 (d) In the eighth State fiscal year next following the effective  
10 date of P.L.2021, c.197, 85 percent of the amount determined  
11 pursuant to section 11 of P.L.2021, c.197 (C.52:27H-98) shall be  
12 **【deposited in the enterprise zone assistance fund】** available to  
13 fulfill the purposes of this section and 15 percent of such amount  
14 shall be deposited in the General Fund;

15 (e) In the ninth State fiscal year next following the effective  
16 date of P.L.2021, c.197, 80 percent of the amount determined  
17 pursuant to section 11 of <sup>1</sup>**【P】** P.L.2021, c.197 (C.52:27H-98)  
18 shall be **【deposited in the enterprise zone assistance fund】** available  
19 to fulfill the purposes of this section and 20 percent of such amount  
20 shall be deposited in the General Fund; and

21 (f) In the 10th State fiscal year next following the effective date  
22 of P.L.2021, c.197, 75 percent of the amount determined pursuant  
23 to section 11 of P.L.2021, c.197 (C.52:27H-98) shall be **【deposited**  
24 **in the enterprise zone assistance fund】** available to fulfill the  
25 purposes of this section and 25 percent of such amount shall be  
26 deposited in the General Fund.

27 (2) The State Treasurer shall maintain separate accounts for  
28 each enterprise zone designated under P.L.1983, c.303 (C.52:27H-  
29 60 et seq.) that is in good standing with the UEZ Authority in  
30 accordance with rules adopted by the UEZ Authority, and one in the  
31 authority's name for the administration of the Urban Enterprise  
32 Zone program, and for providing grants, including planning grants,  
33 investments, loans <sup>1,1</sup> or other guaranties related to qualified  
34 assistance fund expenses. The State Treasurer shall credit to each  
35 account an amount of the moneys deposited in the fund and  
36 available to fulfill the purposes of this section, which amount shall  
37 be determined by a weighted formula that applies 50 percent weight  
38 to a zone municipality's number of commercial and industrial  
39 parcels as recorded by the municipal tax assessor, its Municipal  
40 Revitalization Index Distress Score, as determined by the  
41 Department of Community Affairs, and the average number of  
42 unemployed persons in the municipality according to data provided  
43 by the New Jersey Department of Labor and Workforce  
44 Development, and 50 percent weight to the gross taxable sales in  
45 the municipality subject to reduced sales tax pursuant to section 21  
46 of P.L.1983, c.303 (C.52:27H-80), as determined by the State  
47 Treasurer. The data used in the formula, developed under this

1 section, shall be the most recent data that has been made available  
2 by the Department of Community Affairs, the Department of Labor  
3 and Workforce Development, and the State Treasurer. When funds  
4 are received by a qualifying municipality pursuant to this  
5 subsection, the funds shall be placed in a new trust or, for a  
6 qualifying municipality that has a trust for an enterprise zone on the  
7 effective date of P.L.2021, c.197, in the existing trust. The Division  
8 of Local Government Services in the Department of Community  
9 Affairs shall promulgate regulations, policies, or procedures as  
10 necessary to implement the provisions of this section.

11 (3) ~~From the amounts allocated to the zone assistance fund in~~  
12 ~~each State fiscal year pursuant to section 11 of P.L.2021, c.197~~  
13 ~~(C.52:27H-98), there shall be deposited annually to the account in~~  
14 ~~the authority's name, \$2,500,000 beginning~~ Beginning ~~in State~~  
15 ~~Fiscal Year 2022, \$2,500,000 shall be appropriated annually from~~  
16 ~~the account in the authority's name~~ for the administration of the  
17 Urban Enterprise Zone program, and for providing grants,  
18 investments, loans, or other guaranties related to qualified  
19 assistance fund expenses. This amount shall be adjusted annually  
20 by the percentage change in the 12-month Consumer Price Index  
21 from June 30 to July 1.

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

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

41 b. The enterprise zone assistance fund shall be used for the  
42 purpose of assisting qualifying municipalities in which enterprise  
43 zones are designated in undertaking economic development projects  
44 in designated enterprise zones by funding qualified assistance fund  
45 expenses. However, a municipality shall not appropriate or expend:  
46 more than 25 percent of the amount annually credited to its  
47 enterprise zone assistance fund for public safety purposes, as  
48 described ~~pursuant to~~ in paragraph (4) of subsection m. of section

1 3 of P.L.1983, c.303 (C.52:27H-62); or more than 10 percent of the  
2 amount annually credited to its enterprise zone assistance fund for  
3 administrative expenses.

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 municipality for that enterprise zone  
7 may, by resolution jointly adopted after public hearing, propose to  
8 undertake an economic development project in the enterprise zone,  
9 and to fund that project from moneys deposited in the enterprise  
10 zone assistance fund and credited to the account maintained by the  
11 State Treasurer for the enterprise zone.

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

14 (1) A description of the proposed project;

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

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

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

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

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

29 As used in this section, "project" means an activity that satisfies  
30 the requirements of a qualified assistance fund expense, as that term  
31 is defined in subsection m. of section 3 of P.L.1983, c.303  
32 (C.52:27H-62), and which will lead to the creation of new jobs and  
33 increased economic activity within the zone.

34 d. (Deleted by amendment, P.L.2021, c.197)

35 e. (Deleted by amendment, P.L.2021, c.197)

36 f. (Deleted by amendment, P.L.2021, c.197)

37 g. (Deleted by amendment, P.L.2021, c.197)

38 h. At the end of a State fiscal year, if a municipality has not  
39 encumbered a portion of its allocation, such amount may be carried  
40 forward to the next State fiscal year and the State fiscal year  
41 thereafter. If at the end of the third State fiscal year any of those  
42 unencumbered funds remain, then the funds shall be transferred to  
43 the UEZ Authority's account in the enterprise zone assistance fund.

44 i. At the end of a State fiscal year, if a municipality has not  
45 expended or otherwise committed a portion of its encumbered  
46 funds, then such amount may be carried forward to the next three  
47 succeeding State fiscal years. If at the end of the third State fiscal  
48 year any unexpended funds remain, then the funds shall be

1 transferred to the UEZ Authority's account in the enterprise zone  
2 assistance fund.

3 j. At the end of a State fiscal year, the Department of  
4 Community Affairs shall review an enterprise zone's expenditures  
5 of funds received from the zone assistance fund. If the department  
6 finds that an enterprise zone expended such funds in a manner  
7 inconsistent with the provisions of P.L.1983, c.303 (C.52:27H-60 et  
8 seq.) and P.L.2021, c.197, then the enterprise zone shall repay such  
9 funds to the department through the forfeiture of future zone  
10 assistance fund disbursements. The department shall withhold  
11 future funding from the enterprise zone until the enterprise zone  
12 enters into and complies with a corrective action plan developed by  
13 the department.

14 k. If in a State fiscal year the amount allocated to the enterprise  
15 zone assistance fund is less than the amount required to be allocated  
16 to fulfill the purposes of this section pursuant to section 11 of  
17 P.L.2021, c.197 (C.52:27H-98) and paragraph (1) of subsection a.  
18 of this section, the Legislature shall appropriate to the enterprise  
19 zone assistance fund the amount that was not allocated in such State  
20 fiscal year in a succeeding State fiscal year along with the funds  
21 required to be allocated in that State fiscal year.

22 (cf: P.L.2021, c.197, s.10)

23

24 3. Section 11 of P.L.2021, c.197 (C.52:27H-98) is amended to  
25 read as follows:

26 11. a. The combined State tax expenditures in State Fiscal Year  
27 2022 for the Urban Enterprise Zone Special Sales Tax Rate and  
28 Urban Enterprise Zone Exempt Business Purchases, as expressed in  
29 the Fiscal Year 2022 State of New Jersey Tax Expenditure Report,  
30 shall be the "ZAF base fund amount."

31 In State Fiscal Year 2023, the amount to be appropriated to the  
32 enterprise zone assistance fund and made available to fulfill the  
33 purposes set forth in section 29 of P.L.1983, c.303 (C.52:27H-88)  
34 shall be determined as follows: The State Treasurer, in consultation  
35 with the UEZ Authority, shall determine the combined State tax  
36 expenditures for the Urban Enterprise Zone Special Sales Tax Rate  
37 and Urban Enterprise Zone Exempt Business Purchases in the six-  
38 month period beginning January 1, 2022 and ending June 30, 2022.  
39 The combined State tax expenditures for the Urban Enterprise Zone  
40 Special Sales Tax Rate and Urban Enterprise Zone Exempt  
41 Business Purchases for the six-month period beginning January 1,  
42 2022 and ending June 30, 2022, shall be multiplied by two and then  
43 subtracted from the ZAF base fund amount. The difference shall be  
44 the amount to be appropriated to the enterprise zone assistance fund  
45 and made available to fulfill the purposes set forth in section 29 of  
46 P.L.1983, c.303 (C.52:27H-88) in State Fiscal Year 2023  
47 **【appropriation to the enterprise zone assistance fund】.**

1       Beginning in State Fiscal Year 2024, and in each State fiscal  
2 year thereafter, the amount to be appropriated to the enterprise zone  
3 assistance fund and made available to fulfill the purposes set forth  
4 in section 29 of P.L.1983, c.303 (C.52:27H-88) shall be determined  
5 as follows: After January 1 but prior to June 30, the State Treasurer,  
6 in consultation with the UEZ Authority, shall develop a  
7 methodology to compare the combined State tax expenditures for  
8 the Urban Enterprise Zone Special Sales Tax Rate and Urban  
9 Enterprise Zone Exempt Business Purchases in the prior State fiscal  
10 year with the ZAF base fund amount to calculate the savings  
11 achieved by P.L.2021, c.197. The savings determined shall be the  
12 amount appropriated to the enterprise zone assistance fund to fulfill  
13 the purposes set forth in section 29 of P.L.1983, c.303 (C.52:27H-  
14 88) for the State fiscal year.

15       b. Notwithstanding the provisions of subsection a. of this  
16 section, for State Fiscal Year 2023 and thereafter, the amount  
17 appropriated to the enterprise zone assistance fund and made  
18 available to fulfill the purposes set forth in section 29 of P.L.1983,  
19 c.303 (C.52:27H-88) shall not exceed \$82,500,000, and in Fiscal  
20 Year 2024, and in each year thereafter, \$82,500,000 as adjusted  
21 annually based on the percentage change in the 12-month Consumer  
22 Price Index from June 30 to July 1 of each year, and shall be no less  
23 than \$60,000,000. Should the balance of the enterprise zone  
24 assistance fund be in excess of the amount appropriated annually to  
25 fulfill the purposes set forth in section 29 of P.L.1983, c.303  
26 (C.52:27H-88), such excess amount shall be deposited in the  
27 General Fund. If the application of the formulas set forth in  
28 subsection a. of this section will result in an appropriation to the  
29 enterprise zone assistance fund that is less than \$60,000,000 and  
30 made available to fulfill the purposes set forth in section 29 of  
31 P.L.1983, c.303 (C.52:27H-88) in any State fiscal year, then the  
32 State Treasurer, in consultation with the UEZ Authority, shall  
33 impose a limit on the receipts from retail sales of tangible personal  
34 property and sales of services to a qualified business that are  
35 exempt from the sales and use tax pursuant to section 20 of  
36 P.L.1983, c.303 (C.52:27H-79); provided, however, that no less  
37 than the receipts from the first \$50,000 of retail sales of tangible  
38 personal property and sales of services to a qualified business shall  
39 be exempt from the sales and use tax in accordance with section 20  
40 of P.L.1983, c.303 (C.52:27H-79).  
41 (cf: P.L.2021, c.197, s.11)

42  
43       <sup>2</sup>[4. There is appropriated \$82,500,000 from the General Fund  
44 to the enterprise zone assistance fund created pursuant to section 29  
45 of P.L.1983, c.303 (C.52:27H-88) for the purposes of that fund, and  
46 for the uses prescribed in section 29 of P.L.1983, c.303 (C.52:27H-  
47 88).]<sup>2</sup>

1       <sup>2</sup>**[5.] 4.**<sup>2</sup> This act shall take effect <sup>2</sup>**[immediately]** at the  
2 beginning of the next reporting period following 30 days after  
3 enactment<sup>2</sup>.

4

5

6

7

8

Clarifies process for administrative appropriations to UEZs.

# SENATE, No. 3837

## STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED MAY 11, 2023

**Sponsored by:**

**Senator NELLIE POU**

**District 35 (Bergen and Passaic)**

**Senator NILSA I. CRUZ-PEREZ**

**District 5 (Camden and Gloucester)**

**Co-Sponsored by:**

**Senator Turner**

**SYNOPSIS**

Clarifies process for administrative appropriations to UEZs; makes appropriation.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/8/2023)**

S3837 POU, CRUZ-PEREZ

2

1 AN ACT concerning urban enterprise zones, amending P.L.1983,  
2 c.303 and P.L.2021, c.197, and making an appropriation.

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4 **BE IT ENACTED** by the Senate and General Assembly of the State  
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9 21. a. (1) Receipts of retail sales, **[**except retail sales of motor  
10 vehicles, of alcoholic beverages as defined in the "Alcoholic  
11 Beverage Tax Law," R.S.54:41-1 et seq., of cigarettes as defined in  
12 the "Cigarette Tax Act," P.L.1948, c.65 (C.54:40A-1 et seq.), of  
13 manufacturing machinery, equipment or apparatus, and of energy,**]**  
14 made by a seller located in an eligible block group, as defined in  
15 subsection a. of section 12 of P.L.2021, c.197 (C.52:27H-99) and  
16 provided a UZ-2 certification by the authority from a place of  
17 business owned or leased and regularly operated by the seller for  
18 the purpose of making retail sales, and located in a designated  
19 enterprise zone established pursuant to the "New Jersey Urban  
20 Enterprise Zones Act," P.L.1983, c.303 (C.52:27H-60 et seq.), or a  
21 UEZ-impacted business district established prior to the effective  
22 date of P.L.2021, c.197 pursuant to section 3 of P.L.2001, c.347  
23 (C.52:27H-66.2), **[are]** shall be exempt to the extent of 50 percent  
24 of the tax imposed under the "Sales and Use Tax Act," P.L.1966,  
25 c.30 (C.54:32B-1 et seq.).

26 (2) As used in this section, the term "retail sales" means all  
27 retail sales except retail sales of:

28 (1) motor vehicles;

29 (2) alcoholic beverages as defined in the "Alcoholic Beverage  
30 Tax Law," R.S.54:41-1 et seq.;

31 (3) cigarettes as defined in the "Cigarette Tax Act," P.L.1948,  
32 c.65 (C.54:40A-1 et seq.);

33 (4) manufacturing machinery, equipment or apparatus;

34 (5) energy;

35 (6) medical cannabis and related supplies sold under the "Jake  
36 Honig Compassionate Use Medical Cannabis Act", P.L.2009, c.307  
37 (C.24:6I-1 et seq.); and

38 (7) recreational cannabis and related supplies sold under the  
39 "New Jersey Cannabis Regulatory, Enforcement Assistance, and  
40 Marketplace Modernization Act", P.L. 2021, c.16 (C.24:6I-31 et  
41 seq.).

42 b. Any seller, which is a qualified business having a place of  
43 business located in a designated enterprise zone or in a designated  
44 UEZ-impacted business district, may apply to the UEZ Authority  
45 for a UZ-2 certification pursuant to this section provided the seller

**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 is located in an eligible block group, as defined in subsection a. of  
2 section 12 of P.L.2021, c.197 (C.52:27H-99). The UEZ Authority  
3 shall certify a seller if the UEZ Authority shall find that the seller  
4 owns or leases and regularly operates a place of business located in  
5 the designated enterprise zone or in the designated UEZ-impacted  
6 business district for the purpose of making retail sales, that items  
7 are regularly exhibited and offered for retail sale at that location,  
8 and that the place of business is not utilized primarily for the  
9 purpose of catalogue or mail order sales. The certification under  
10 this section shall remain in effect during the time the business  
11 retains its status as a qualified business meeting the eligibility  
12 criteria of section 27 of P.L.1983, c.303 (C.52:27H-86). However,  
13 the UEZ Authority may at any time revoke a certification granted  
14 pursuant to this section if the UEZ Authority shall determine that  
15 the seller no longer complies with the provisions of this section.  
16 The Department of the Treasury shall provide to a qualified  
17 business a certificate evidencing its UZ-2 certification, which  
18 certificate shall indicate the location at which the sales tax  
19 exemption provided for in this section is available.

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

31 d. Notwithstanding any other provision of law to the contrary,  
32 the gross amount of all revenues received from the taxation of retail  
33 sales to which the exemption under this section applies, except for  
34 amounts credited to the Property Tax Reform Account in the  
35 Property Tax Relief Fund pursuant to paragraph 7 of Section I of  
36 Article VIII of the New Jersey Constitution, shall be deposited  
37 immediately upon collection by the Department of the Treasury into  
38 the enterprise zone assistance fund created pursuant to section 29 of  
39 P.L.1983, c.303 (C.52:27H-88); provided, however, tax collected at  
40 the site of a redevelopment project which is the subject of a  
41 redevelopment agreement with the State pursuant to section 3 of  
42 P.L.1996, c.124 (C.13:1E-116.3) shall be credited to the Municipal  
43 Landfill Closure and Remediation Fund pursuant to subsection b. of  
44 section 6 of P.L.1996, c.124 (C.13:1E-116.6) and tax revenues on  
45 retail sales of cannabis items shall be credited to the Cannabis  
46 Regulatory, Enforcement Assistance, and Marketplace  
47 Modernization Fund and the Underage Deterrence and Prevention

1 Account pursuant to subsection a. of section 41 of P.L.2021, c.16  
2 (C.24:6I-50).

3 (cf: P.L.2021, c.197, s.9)

4

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

7 29. a. (1) There is created an enterprise zone assistance fund to  
8 be held by the State Treasurer, which shall be the repository for all  
9 moneys required to be deposited therein under section **11** of  
10 P.L.2021, c.197 (C.52:27H-98) **21** of P.L.1983, c.303 (C.52:27H-  
11 80), as amended by this act, P.L. , c. (pending before the  
12 Legislature as this bill), or moneys appropriated annually to the  
13 fund. All moneys **deposited** in the fund shall be held and  
14 disbursed in **the amounts** accordance with this section and section  
15 11 of P.L.2021, c.197 (C.52:27H-98) as necessary to fulfill the  
16 purposes of this section and subject to the requirements hereinafter  
17 prescribed. The State Treasurer may invest and reinvest any moneys  
18 in the fund, or any portion thereof, to strengthen capital structures,  
19 leverage additional debt capital, and increase lending and investing  
20 in economically disadvantaged communities, and in any other  
21 manner that advances the goals of the Urban Enterprise Zone  
22 program, including, but not limited to legal obligations of the  
23 United States or of the State or of any political subdivision thereof  
24 or government-sponsored enterprises. Any income from, interest on,  
25 or increment to moneys so invested or reinvested shall be included  
26 in the fund.

27 **Notwithstanding the provisions of section 11 of P.L.2021, c.197**  
28 **(C.52:27H-98) or any other provision of law to the contrary, the**  
29 The amount to be deposited in the enterprise zone assistance  
30 fund, which shall be available to fulfill the purposes of this section,  
31 shall be as follows:

32 (a) In the first five State fiscal years next following the effective  
33 date of P.L.2021, c.197, 100 percent of the amount determined  
34 pursuant to section 11 of P.L.2021, c.197 (C.52:27H-98) shall be  
35 **deposited in the enterprise zone assistance fund** available to  
36 fulfill the purposes of this section;

37 (b) In the sixth State fiscal year next following the effective date  
38 of P.L.2021, c.197, 95 percent of the amount determined pursuant  
39 to section 11 of P.L.2021, c.197 (C.52:27H-98) shall be **deposited**  
40 **in the enterprise zone assistance fund** available to fulfill the  
41 purposes of this section and five percent of such amount shall be  
42 deposited in the General Fund;

43 (c) In the seventh State fiscal year next following the effective  
44 date of P.L.2021, c.197, 90 percent of the amount determined  
45 pursuant to section 11 of P.L.2021, c.197 (C.52:27H-98) shall be  
46 **deposited in the enterprise zone assistance fund** available to

1 fulfill the purposes of this section and 10 percent of such amount  
2 shall be deposited in the General Fund;

3 (d) In the eighth State fiscal year next following the effective  
4 date of P.L.2021, c.197, 85 percent of the amount determined  
5 pursuant to section 11 of P.L.2021, c.197 (C.52:27H-98) shall be  
6 **【deposited in the enterprise zone assistance fund】** available to  
7 fulfill the purposes of this section and 15 percent of such amount  
8 shall be deposited in the General Fund;

9 (e) In the ninth State fiscal year next following the effective  
10 date of P.L.2021, c.197, 80 percent of the amount determined  
11 pursuant to section 11 of P.L.2021, c.197 (C.52:27H-98) shall be  
12 **【deposited in the enterprise zone assistance fund】** available to  
13 fulfill the purposes of this section and 20 percent of such amount  
14 shall be deposited in the General Fund; and

15 (f) In the 10th State fiscal year next following the effective date  
16 of P.L.2021, c.197, 75 percent of the amount determined pursuant  
17 to section 11 of P.L.2021, c.197 (C.52:27H-98) shall be **【deposited**  
18 **in the enterprise zone assistance fund】** available to fulfill the  
19 purposes of this section and 25 percent of such amount shall be  
20 deposited in the General Fund.

21 (2) The State Treasurer shall maintain separate accounts for  
22 each enterprise zone designated under P.L.1983, c.303 (C.52:27H-  
23 60 et seq.) that is in good standing with the UEZ Authority in  
24 accordance with rules adopted by the UEZ Authority, and one in the  
25 authority's name for the administration of the Urban Enterprise  
26 Zone program, and for providing grants, including planning grants,  
27 investments, loans or other guaranties related to qualified assistance  
28 fund expenses. The State Treasurer shall credit to each account an  
29 amount of the moneys deposited in the fund and available to fulfill  
30 the purposes of this section, which amount shall be determined by a  
31 weighted formula that applies 50 percent weight to a zone  
32 municipality's number of commercial and industrial parcels as  
33 recorded by the municipal tax assessor, its Municipal Revitalization  
34 Index Distress Score, as determined by the Department of  
35 Community Affairs, and the average number of unemployed  
36 persons in the municipality according to data provided by the New  
37 Jersey Department of Labor and Workforce Development, and 50  
38 percent weight to the gross taxable sales in the municipality subject  
39 to reduced sales tax pursuant to section 21 of P.L.1983, c.303  
40 (C.52:27H-80), as determined by the State Treasurer. The data used  
41 in the formula, developed under this section, shall be the most  
42 recent data that has been made available by the Department of  
43 Community Affairs, the Department of Labor and Workforce  
44 Development, and the State Treasurer. When funds are received by  
45 a qualifying municipality pursuant to this subsection, the funds shall  
46 be placed in a new trust or, for a qualifying municipality that has a  
47 trust for an enterprise zone on the effective date of P.L.2021, c.197,  
48 in the existing trust. The Division of Local Government Services in

1 the Department of Community Affairs shall promulgate regulations,  
2 policies, or procedures as necessary to implement the provisions of  
3 this section.

4 (3) **【**From the amounts allocated to the zone assistance fund in  
5 each State fiscal year pursuant to section 11 of P.L.2021, c.197  
6 (C.52:27H-98), there shall be deposited annually to the account in  
7 the authority's name, \$2,500,000 beginning**】** Beginning in State  
8 Fiscal Year 2022, \$2,500,000 shall be appropriated annually from  
9 the account in the authority's name for the administration of the  
10 Urban Enterprise Zone program, and for providing grants,  
11 investments, loans, or other guaranties related to qualified  
12 assistance fund expenses. This amount shall be adjusted annually  
13 by the percentage change in the 12-month Consumer Price Index  
14 from June 30 to July 1.

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

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

34 b. The enterprise zone assistance fund shall be used for the  
35 purpose of assisting qualifying municipalities in which enterprise  
36 zones are designated in undertaking economic development projects  
37 in designated enterprise zones by funding qualified assistance fund  
38 expenses. However, a municipality shall not appropriate or expend;  
39 more than 25 percent of the amount annually credited to its  
40 enterprise zone assistance fund for public safety purposes, as  
41 described **【**pursuant to**】** in paragraph (4) of subsection m. of section  
42 3 of P.L.1983, c.303 (C.52:27H-62); or more than 10 percent of the  
43 amount annually credited to its enterprise zone assistance fund for  
44 administrative expenses.

45 c. The governing body of a qualifying municipality in which an  
46 enterprise zone is designated and the zone development corporation  
47 created or designated by the municipality for that enterprise zone  
48 may, by resolution jointly adopted after public hearing, propose to

1 undertake an economic development project in the enterprise zone,  
2 and to fund that project from moneys deposited in the enterprise  
3 zone assistance fund and credited to the account maintained by the  
4 State Treasurer for the enterprise zone.

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

7 (1) A description of the proposed project;

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

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

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

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

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

22 As used in this section, "project" means an activity that satisfies  
23 the requirements of a qualified assistance fund expense, as that term  
24 is defined in subsection m. of section 3 of P.L.1983, c.303  
25 (C.52:27H-62), and which will lead to the creation of new jobs and  
26 increased economic activity within the zone.

27 d. (Deleted by amendment, P.L.2021, c.197)

28 e. (Deleted by amendment, P.L.2021, c.197)

29 f. (Deleted by amendment, P.L.2021, c.197)

30 g. (Deleted by amendment, P.L.2021, c.197)

31 h. At the end of a State fiscal year, if a municipality has not  
32 encumbered a portion of its allocation, such amount may be carried  
33 forward to the next State fiscal year and the State fiscal year  
34 thereafter. If at the end of the third State fiscal year any of those  
35 unencumbered funds remain, then the funds shall be transferred to  
36 the UEZ Authority's account in the enterprise zone assistance fund.

37 i. At the end of a State fiscal year, if a municipality has not  
38 expended or otherwise committed a portion of its encumbered  
39 funds, then such amount may be carried forward to the next three  
40 succeeding State fiscal years. If at the end of the third State fiscal  
41 year any unexpended funds remain, then the funds shall be  
42 transferred to the UEZ Authority's account in the enterprise zone  
43 assistance fund.

44 j. At the end of a State fiscal year, the Department of  
45 Community Affairs shall review an enterprise zone's expenditures  
46 of funds received from the zone assistance fund. If the department  
47 finds that an enterprise zone expended such funds in a manner  
48 inconsistent with the provisions of P.L.1983, c.303 (C.52:27H-60 et

1 seq.) and P.L.2021, c.197, then the enterprise zone shall repay such  
2 funds to the department through the forfeiture of future zone  
3 assistance fund disbursements. The department shall withhold  
4 future funding from the enterprise zone until the enterprise zone  
5 enters into and complies with a corrective action plan developed by  
6 the department.

7 k. If in a State fiscal year the amount allocated to the enterprise  
8 zone assistance fund is less than the amount required to be allocated  
9 to fulfill the purposes of this section pursuant to section 11 of  
10 P.L.2021, c.197 (C.52:27H-98) and paragraph (1) of subsection a.  
11 of this section, the Legislature shall appropriate to the enterprise  
12 zone assistance fund the amount that was not allocated in such State  
13 fiscal year in a succeeding State fiscal year along with the funds  
14 required to be allocated in that State fiscal year.  
15 (cf: P.L.2021, c.197, s.10)

16

17 3. Section 11 of P.L.2021, c.197 (C.52:27H-98) is amended to  
18 read as follows:

19 11. a. The combined State tax expenditures in State Fiscal Year  
20 2022 for the Urban Enterprise Zone Special Sales Tax Rate and  
21 Urban Enterprise Zone Exempt Business Purchases, as expressed in  
22 the Fiscal Year 2022 State of New Jersey Tax Expenditure Report,  
23 shall be the "ZAF base fund amount."

24 In State Fiscal Year 2023, the amount to be appropriated to the  
25 enterprise zone assistance fund and made available to fulfill the  
26 purposes set forth in section 29 of P.L.1983, c.303 (C.52:27H-88)  
27 shall be determined as follows: The State Treasurer, in consultation  
28 with the UEZ Authority, shall determine the combined State tax  
29 expenditures for the Urban Enterprise Zone Special Sales Tax Rate  
30 and Urban Enterprise Zone Exempt Business Purchases in the six-  
31 month period beginning January 1, 2022 and ending June 30, 2022.  
32 The combined State tax expenditures for the Urban Enterprise Zone  
33 Special Sales Tax Rate and Urban Enterprise Zone Exempt  
34 Business Purchases for the six-month period beginning January 1,  
35 2022 and ending June 30, 2022, shall be multiplied by two and then  
36 subtracted from the ZAF base fund amount. The difference shall be  
37 the amount to be appropriated to the enterprise zone assistance fund  
38 and made available to fulfill the purposes set forth in section 29 of  
39 P.L.1983, c.303 (C.52:27H-88) in State Fiscal Year 2023  
40 **[appropriation to the enterprise zone assistance fund].**

41 Beginning in State Fiscal Year 2024, and in each State fiscal  
42 year thereafter, the amount to be appropriated to the enterprise zone  
43 assistance fund and made available to fulfill the purposes set forth  
44 in section 29 of P.L.1983, c.303 (C.52:27H-88) shall be determined  
45 as follows: After January 1 but prior to June 30, the State Treasurer,  
46 in consultation with the UEZ Authority, shall develop a  
47 methodology to compare the combined State tax expenditures for  
48 the Urban Enterprise Zone Special Sales Tax Rate and Urban

1 Enterprise Zone Exempt Business Purchases in the prior State fiscal  
2 year with the ZAF base fund amount to calculate the savings  
3 achieved by P.L.2021, c.197. The savings determined shall be the  
4 amount appropriated to the enterprise zone assistance fund to fulfill  
5 the purposes set forth in section 29 of P.L.1983, c.303 (C.52:27H-  
6 88) for the State fiscal year.

7 b. Notwithstanding the provisions of subsection a. of this  
8 section, for State Fiscal Year 2023 and thereafter, the amount  
9 appropriated to the enterprise zone assistance fund and made  
10 available to fulfill the purposes set forth in section 29 of P.L.1983,  
11 c.303 (C.52:27H-88) shall not exceed \$82,500,000, and in Fiscal  
12 Year 2024, and in each year thereafter, \$82,500,000 as adjusted  
13 annually based on the percentage change in the 12-month Consumer  
14 Price Index from June 30 to July 1 of each year, and shall be no less  
15 than \$60,000,000. Should the balance of the enterprise zone  
16 assistance fund be in excess of the amount appropriated annually to  
17 fulfill the purposes set forth in section 29 of P.L.1983, c.303  
18 (C.52:27H-88), such excess amount shall be deposited in the  
19 General Fund. If the application of the formulas set forth in  
20 subsection a. of this section will result in an appropriation to the  
21 enterprise zone assistance fund that is less than \$60,000,000 and  
22 made available to fulfill the purposes set forth in section 29 of  
23 P.L.1983, c.303 (C.52:27H-88) in any State fiscal year, then the  
24 State Treasurer, in consultation with the UEZ Authority, shall  
25 impose a limit on the receipts from retail sales of tangible personal  
26 property and sales of services to a qualified business that are  
27 exempt from the sales and use tax pursuant to section 20 of  
28 P.L.1983, c.303 (C.52:27H-79); provided, however, that no less  
29 than the receipts from the first \$50,000 of retail sales of tangible  
30 personal property and sales of services to a qualified business shall  
31 be exempt from the sales and use tax in accordance with section 20  
32 of P.L.1983, c.303 (C.52:27H-79).  
33 (cf: P.L.2021, c.197, s.11)

34  
35 4. There is appropriated \$82,500,000 from the General Fund to  
36 the enterprise zone assistance fund created pursuant to section 29 of  
37 P.L.1983, c.303 (C.52:27H-88) for the purposes of that fund, and  
38 for the uses prescribed in section 29 of P.L.1983, c.303 (C.52:27H-  
39 88).

40  
41 5. This act shall take effect immediately.

42  
43

44 STATEMENT

45  
46 This bill would clarify the process for appropriating revenue  
47 under the State Urban Enterprise Zone (UEZ) Program for use  
48 within the UEZs. The bill is designed to overcome administrative

**S3837 POU, CRUZ-PEREZ**

10

- 1 issues identified during attempts to implement provisions of a  
2 recent amendment (P.L.2021, c.197) to the "New Jersey Urban  
3 Enterprise Zones Act," (NJUEZA) P.L.1983, c.303 (C.52:27H-60 et  
4 seq.). Specifically, this bill would:
- 5 • provide that revenues collected in UEZs from retail sales  
6 subject to the 50% sales tax exemption would be deposited  
7 in the Zone Assistance Fund (ZAF);
  - 8 • modify NJUEZA language to provide that UEZ revenue will  
9 flow directly to the ZAF;
  - 10 • resolve issues encountered due to a provision of the FY2022  
11 Appropriations Act, and appropriate \$82.5 million to the  
12 ZAF;
  - 13 • provide that sales of medical and recreational cannabis, and  
14 related supplies, are excluded from the term "retail sales" as  
15 used in the NJUEZA and, similar to alcoholic beverages and  
16 other goods and services, would not be eligible for a  
17 reduction in sales tax under the NJUEZA; and
  - 18 • make certain technical changes.

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

[First Reprint]

## SENATE, No. 3837

with committee amendments

# STATE OF NEW JERSEY

DATED: JANUARY 4, 2024

The Assembly Appropriations Committee reports favorably and with committee amendments Senate Bill No. 3837 (1R).

As amended, this bill clarifies the process for appropriating revenue under the State Urban Enterprise Zone (UEZ) Program for use within UEZs. Specifically, this bill clarifies this process by: (1) requiring the revenues collected in UEZs from retail sales subject to the 50 percent sales tax exemption to be deposited in the Zone Assistance Fund (ZAF); (2) providing that the UEZ revenue flows directly to the ZAF; (3) excluding the sales of medical and recreational cannabis, and related supplies from the 50 percent sales tax exemption within UEZs, as is currently the case for alcoholic beverages and other goods and services; and (4) making certain technical changes.

As amended and reported by the committee, Senate Bill No. 3837 (1R) is identical to Assembly Bill No. 5438, as amended and reported by the committee on this date.

### COMMITTEE AMENDMENTS:

The committee amendments:

(1) clarify that the State Treasurer is required to deposit all UEZ revenues, as well as all moneys annually appropriated to the ZAF, into the fund;

(2) remove section 4 of the bill, which appropriates \$82.5 million from the General Fund; and

(3) have the provisions of the bill take effect at the beginning of the next reporting period following 30 days after enactment rather than immediately.

### FISCAL IMPACT:

The Office of Legislative Services concludes that the bill will result in an increase in State revenues associated with a 100 percent increase in the sales tax collected in Urban Enterprise Zones (UEZs) for recreational cannabis and cannabis-related supplies. The bill requires tax revenues on the sale of recreational cannabis items to be credited to the Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Fund and the Underage Deterrence and Prevention Account within the fund.

# SENATE ECONOMIC GROWTH COMMITTEE

## STATEMENT TO

### **SENATE, No. 3837**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: JUNE 8, 2023

The Senate Economic Growth Committee reports favorably Senate Bill No. 3837, with committee amendments.

As amended and reported, this bill clarifies the process for appropriating revenue under the State Urban Enterprise Zone (UEZ) Program for use within UEZs. Specifically, this bill clarifies this process by: (1) requiring the revenues collected in UEZs from retail sales subject to the 50 percent sales tax exemption to be deposited in the Zone Assistance Fund (ZAF); (2) providing that the UEZ revenue flows directly to the ZAF; (3) appropriating \$82.5 million to the ZAF from the General Fund; (4) excluding the sales of medical and recreational cannabis, and related supplies from the 50 percent sales tax exemption within UEZs, as is currently the case for alcoholic beverages and other goods and services; and (5) making certain technical changes.

#### COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) clarify that the State Treasurer is required to deposit all UEZ revenues, as well as all moneys annually appropriated to the ZAF, into the fund; and

(2) provide technical corrections.

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

[First Reprint]

**SENATE, No. 3837**

# **STATE OF NEW JERSEY**

DATED: JUNE 27, 2023

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 3837 (1R).

This bill clarifies the process for appropriating revenue under the State Urban Enterprise Zone (UEZ) Program for use within UEZs. Specifically, this bill clarifies this process by: (1) requiring the revenues collected in UEZs from retail sales subject to the 50 percent sales tax exemption to be deposited in the Zone Assistance Fund (ZAF); (2) providing that the UEZ revenue flows directly to the ZAF; (3) appropriating \$82.5 million to the ZAF from the General Fund; (4) excluding the sales of medical and recreational cannabis, and related supplies from the 50 percent sales tax exemption within UEZs, as is currently the case for alcoholic beverages and other goods and services; and (5) making certain technical changes.

### FISCAL IMPACT:

The Office of Legislative Services concludes that the bill will result in an increase in State revenues associated with a 100 percent increase in the sales tax collected in Urban Enterprise Zones (UEZs) for recreational cannabis and cannabis-related supplies. The bill requires tax revenues on the sale of recreational cannabis items to be credited to the Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Fund and the Underage Deterrence and Prevention Account within the fund. The bill also makes a General Fund appropriation of \$82.5 million to the Enterprise Zone Assistance Fund for the fund's purposes.

# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

## SENATE, No. 3837 STATE OF NEW JERSEY 220th LEGISLATURE

DATED: JUNE 30, 2023

### SUMMARY

- Synopsis:** Clarifies process for administrative appropriations to UEZs; makes appropriation.
- Type of Impact:** State Revenue and Cost Increases.
- Agencies Affected:** Department of the Treasury.

#### Office of Legislative Services Estimate

Fiscal Impact	Urban Enterprise Zones
<b>Annual State Revenue from UEZs</b>	100 percent Increase in full Sales Tax Collections for Recreational Cannabis and Related Supplies in 37 UEZs
<b>State Cost Increase</b>	\$82.5 million

- The Office of Legislative Services (OLS) concludes that the bill will result in an increase in State revenues associated with a 100 percent increase in the sales tax collected in Urban Enterprise Zones (UEZs) for recreational cannabis and cannabis-related supplies. The bill requires tax revenues on the sale of recreational cannabis items to be credited to the Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Fund and the Underage Deterrence and Prevention Account within the fund.
- The bill makes a General Fund appropriation of \$82.5 million to the Enterprise Zone Assistance Fund for the fund's purposes.

### BILL DESCRIPTION

The bill clarifies the process for appropriating revenue under the State UEZ Program for use within UEZs. Specifically, the bill appropriates \$82.5 million to the Zone Assistance Fund from the General Fund and excludes the sales of medical and recreational cannabis, and related supplies from the 50 percent sales tax exemption within UEZs, as is currently the case for alcoholic beverages and some other retail sales.

**FISCAL ANALYSIS*****EXECUTIVE BRANCH***

None received.

***OFFICE OF LEGISLATIVE SERVICES***

The OLS concludes that the bill will result in an increase in State revenues associated with a 100 percent increase in the sales tax collected in UEZs for recreational cannabis and cannabis-related supplies. Current law provides that qualified businesses within a UEZ may charge sales tax at half of the regular rate on certain retail sales. The bill provides that neither medical nor recreational cannabis, nor cannabis supplies, qualify for the reduced sales tax rate. However, pursuant to current law, medical cannabis is not subject to sales tax. The bill will therefore, increase the amount of sales tax to be collected for recreational cannabis and cannabis supplies from 3.3125 percent to 6.625 percent within UEZs. The bill requires tax revenues on the sale of recreational cannabis items to be credited to the Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Fund and the Underage Deterrence and Prevention Account within the fund. The OLS is unable to estimate the number of businesses that are located within UEZs which sell or will sell recreational cannabis or cannabis supplies or the prices of these products and, therefore, cannot predict the specific increase in sales tax to be collected pursuant to the bill.

The bill also clarifies that the gross amount of all revenues from the taxation of retail sales, which excludes sales of motor vehicles, alcoholic beverages, cigarettes, manufacturing machinery, energy, and cannabis, are required to be deposited in the Enterprise Zone Assistance Fund for the fund's purposes.

The bill also makes a General Fund appropriation of \$82.5 million to the Enterprise Zone Assistance Fund for the fund's purposes. The OLS notes this appropriation is equivalent to the maximum FY 2023 statutory appropriation.

*Section:*            *Local Government*  
*Analyst:*          *Abigail Stoyer*  
                         *Associate Fiscal Analyst*  
*Approved:*        *Thomas Koenig*  
                         *Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

# LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

## SENATE, No. 3837 STATE OF NEW JERSEY 220th LEGISLATURE

DATED: JANUARY 10, 2024

### SUMMARY

**Synopsis:** Clarifies process for administrative appropriations to UEZs.

**Type of Impact:** Annual State Revenue Increase.

**Agencies Affected:** Department of the Treasury.

#### Office of Legislative Services Estimate

Fiscal Impact	<u>Urban Enterprise Zones</u>
<b>Annual State Revenue from UEZs</b>	100 percent Increase in full Sales Tax Collections for Recreational Cannabis and Related Supplies in 37 UEZs

- The Office of Legislative Services (OLS) concludes that the bill will result in an indeterminate increase in State revenues associated with a 100 percent increase in the sales tax collected in Urban Enterprise Zones (UEZs) for recreational cannabis and cannabis-related supplies. The bill requires tax revenues on the sale of recreational cannabis items to be credited to the Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Fund and the Underage Deterrence and Prevention Account within the fund.

### BILL DESCRIPTION

The bill clarifies the process for appropriating revenue under the State UEZ Program for use within UEZs. Specifically, the bill excludes the sales of medical and recreational cannabis, and related supplies from the 50 percent sales tax exemption within UEZs, as is currently the case for alcoholic beverages and some other retail sales.

## FISCAL ANALYSIS

### *EXECUTIVE BRANCH*

None received.

### *OFFICE OF LEGISLATIVE SERVICES*

The OLS concludes that the bill will result in an increase in State revenues associated with a 100 percent increase in the sales tax collected in UEZs for recreational cannabis and cannabis-related supplies. Current law provides that qualified businesses within a UEZ may charge sales tax at half of the regular rate on certain retail sales. The bill provides that neither medical nor recreational cannabis, nor cannabis supplies, qualify for the reduced sales tax rate. However, medical cannabis is not subject to sales tax under current law. The bill will therefore increase the amount of sales tax to be collected for recreational cannabis and cannabis supplies from 3.3125 percent to 6.625 percent within UEZs. The bill requires tax revenues on the sale of recreational cannabis items to be credited to the Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Fund and the Underage Deterrence and Prevention Account within the fund. The OLS is unable to estimate the number of businesses that are located within UEZs which sell or will sell recreational cannabis or cannabis supplies or the prices of these products and, therefore, cannot predict the specific increase in sales tax to be collected pursuant to the bill.

The bill also clarifies that the gross amount of all revenues from the taxation of retail sales within a UEZ, which excludes sales of motor vehicles, alcoholic beverages, cigarettes, manufacturing machinery, energy, and cannabis, are required to be deposited in the Enterprise Zone Assistance Fund for the fund's purposes.

The monies deposited in the Underage Deterrence and Prevention Account are used to fund private for-profit and non-profit organizations, and county and municipal programs and services that offer social services, educational, recreational, and employment opportunities, and local economic development designed to encourage, improve, and support youthful community activities to divert and prevent persons under 18 years of age from activities associated with the consumption of cannabis items, or marijuana, or hashish. To the extent that the increased revenues derived from the bill are used to fund additional deterrence programs, State expenditures will increase by an indeterminate amount.

*Section: Local Government*

*Analyst: Abigail Stoyer  
Associate Fiscal Analyst*

*Approved: Thomas Koenig  
Legislative Budget and Finance Officer*

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This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

**ASSEMBLY, No. 5438**

**STATE OF NEW JERSEY**  
**220th LEGISLATURE**

INTRODUCED MAY 11, 2023

**Sponsored by:**

**Assemblywoman ELIANA PINTOR MARIN**

**District 29 (Essex)**

**SYNOPSIS**

Clarifies process for administrative appropriations to UEZs; makes appropriation.

**CURRENT VERSION OF TEXT**

As introduced.



A5438 PINTOR MARIN

2

1 AN ACT concerning urban enterprise zones, amending P.L.1983,  
2 c.303 and P.L.2021, c.197, and making an appropriation.

3

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

6

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

9 21. a. (1) Receipts of retail sales, **[**except retail sales of motor  
10 vehicles, of alcoholic beverages as defined in the "Alcoholic  
11 Beverage Tax Law," R.S.54:41-1 et seq., of cigarettes as defined in  
12 the "Cigarette Tax Act," P.L.1948, c.65 (C.54:40A-1 et seq.), of  
13 manufacturing machinery, equipment or apparatus, and of energy,**]**  
14 made by a seller located in an eligible block group, as defined in  
15 subsection a. of section 12 of P.L.2021, c.197 (C.52:27H-99) and  
16 provided a UZ-2 certification by the authority from a place of  
17 business owned or leased and regularly operated by the seller for  
18 the purpose of making retail sales, and located in a designated  
19 enterprise zone established pursuant to the "New Jersey Urban  
20 Enterprise Zones Act," P.L.1983, c.303 (C.52:27H-60 et seq.), or a  
21 UEZ-impacted business district established prior to the effective  
22 date of P.L.2021, c.197 pursuant to section 3 of P.L.2001, c.347  
23 (C.52:27H-66.2), **[are]** shall be exempt to the extent of 50 percent  
24 of the tax imposed under the "Sales and Use Tax Act," P.L.1966,  
25 c.30 (C.54:32B-1 et seq.).

26 (2) As used in this section, the term "retail sales" means all  
27 retail sales except retail sales of:

28 (1) motor vehicles;

29 (2) alcoholic beverages as defined in the "Alcoholic Beverage  
30 Tax Law," R.S.54:41-1 et seq.;

31 (3) cigarettes as defined in the "Cigarette Tax Act," P.L.1948,  
32 c.65 (C.54:40A-1 et seq.);

33 (4) manufacturing machinery, equipment or apparatus;

34 (5) energy;

35 (6) medical cannabis and related supplies sold under the "Jake  
36 Honig Compassionate Use Medical Cannabis Act", P.L.2009, c.307  
37 (C.24:6I-1 et seq.); and

38 (7) recreational cannabis and related supplies sold under the  
39 "New Jersey Cannabis Regulatory, Enforcement Assistance, and  
40 Marketplace Modernization Act", P.L. 2021, c.16 (C.24:6I-31 et  
41 seq.).

42 b. Any seller, which is a qualified business having a place of  
43 business located in a designated enterprise zone or in a designated  
44 UEZ-impacted business district, may apply to the UEZ Authority  
45 for a UZ-2 certification pursuant to this section provided the seller

**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 is located in an eligible block group, as defined in subsection a. of  
2 section 12 of P.L.2021, c.197 (C.52:27H-99). The UEZ Authority  
3 shall certify a seller if the UEZ Authority shall find that the seller  
4 owns or leases and regularly operates a place of business located in  
5 the designated enterprise zone or in the designated UEZ-impacted  
6 business district for the purpose of making retail sales, that items  
7 are regularly exhibited and offered for retail sale at that location,  
8 and that the place of business is not utilized primarily for the  
9 purpose of catalogue or mail order sales. The certification under  
10 this section shall remain in effect during the time the business  
11 retains its status as a qualified business meeting the eligibility  
12 criteria of section 27 of P.L.1983, c.303 (C.52:27H-86). However,  
13 the UEZ Authority may at any time revoke a certification granted  
14 pursuant to this section if the UEZ Authority shall determine that  
15 the seller no longer complies with the provisions of this section.  
16 The Department of the Treasury shall provide to a qualified  
17 business a certificate evidencing its UZ-2 certification, which  
18 certificate shall indicate the location at which the sales tax  
19 exemption provided for in this section is available.

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

31 d. Notwithstanding any other provision of law to the contrary,  
32 the gross amount of all revenues received from the taxation of retail  
33 sales to which the exemption under this section applies, except for  
34 amounts credited to the Property Tax Reform Account in the  
35 Property Tax Relief Fund pursuant to paragraph 7 of Section I of  
36 Article VIII of the New Jersey Constitution, shall be deposited  
37 immediately upon collection by the Department of the Treasury into  
38 the enterprise zone assistance fund created pursuant to section 29 of  
39 P.L.1983, c.303 (C.52:27H-88); provided, however, tax collected at  
40 the site of a redevelopment project which is the subject of a  
41 redevelopment agreement with the State pursuant to section 3 of  
42 P.L.1996, c.124 (C.13:1E-116.3) shall be credited to the Municipal  
43 Landfill Closure and Remediation Fund pursuant to subsection b. of  
44 section 6 of P.L.1996, c.124 (C.13:1E-116.6) and tax revenues on  
45 retail sales of cannabis items shall be credited to the Cannabis  
46 Regulatory, Enforcement Assistance, and Marketplace  
47 Modernization Fund and the Underage Deterrence and Prevention

1 Account pursuant to subsection a. of section 41 of P.L.2021, c.16  
2 (C.24:6I-50).

3 (cf: P.L.2021, c.197, s.9)

4

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

7 29. a. (1) There is created an enterprise zone assistance fund to  
8 be held by the State Treasurer, which shall be the repository for all  
9 moneys required to be deposited therein under section **11** of  
10 P.L.2021, c.197 (C.52:27H-98) **21** of P.L.1983, c.303 (C.52:27H-  
11 80), as amended by this act, P.L. , c. (pending before the  
12 Legislature as this bill), or moneys appropriated annually to the  
13 fund. All moneys **deposited** in the fund shall be held and  
14 disbursed in **the amounts** accordance with this section and section  
15 11 of P.L.2021, c.197 (C.52:27H-98) as necessary to fulfill the  
16 purposes of this section and subject to the requirements hereinafter  
17 prescribed. The State Treasurer may invest and reinvest any moneys  
18 in the fund, or any portion thereof, to strengthen capital structures,  
19 leverage additional debt capital, and increase lending and investing  
20 in economically disadvantaged communities, and in any other  
21 manner that advances the goals of the Urban Enterprise Zone  
22 program, including, but not limited to legal obligations of the  
23 United States or of the State or of any political subdivision thereof  
24 or government-sponsored enterprises. Any income from, interest on,  
25 or increment to moneys so invested or reinvested shall be included  
26 in the fund.

27 **Notwithstanding the provisions of section 11 of P.L.2021, c.197**  
28 **(C.52:27H-98) or any other provision of law to the contrary, the**  
29 **The amount to be deposited** in the enterprise zone assistance  
30 fund, which shall be available to fulfill the purposes of this section,  
31 shall be as follows:

32 (a) In the first five State fiscal years next following the effective  
33 date of P.L.2021, c.197, 100 percent of the amount determined  
34 pursuant to section 11 of P.L.2021, c.197 (C.52:27H-98) shall be  
35 **deposited in the enterprise zone assistance fund** available to  
36 fulfill the purposes of this section;

37 (b) In the sixth State fiscal year next following the effective date  
38 of P.L.2021, c.197, 95 percent of the amount determined pursuant  
39 to section 11 of P.L.2021, c.197 (C.52:27H-98) shall be **deposited**  
40 **in the enterprise zone assistance fund** available to fulfill the  
41 purposes of this section and five percent of such amount shall be  
42 deposited in the General Fund;

43 (c) In the seventh State fiscal year next following the effective  
44 date of P.L.2021, c.197, 90 percent of the amount determined  
45 pursuant to section 11 of P.L.2021, c.197 (C.52:27H-98) shall be  
46 **deposited in the enterprise zone assistance fund** available to

1 fulfill the purposes of this section and 10 percent of such amount  
2 shall be deposited in the General Fund;

3 (d) In the eighth State fiscal year next following the effective  
4 date of P.L.2021, c.197, 85 percent of the amount determined  
5 pursuant to section 11 of P.L.2021, c.197 (C.52:27H-98) shall be  
6 **【deposited in the enterprise zone assistance fund】** available to  
7 fulfill the purposes of this section and 15 percent of such amount  
8 shall be deposited in the General Fund;

9 (e) In the ninth State fiscal year next following the effective  
10 date of P.L.2021, c.197, 80 percent of the amount determined  
11 pursuant to section 11 of P P.L.2021, c.197 (C.52:27H-98) shall be  
12 **【deposited in the enterprise zone assistance fund】** available to  
13 fulfill the purposes of this section and 20 percent of such amount  
14 shall be deposited in the General Fund; and

15 (f) In the 10th State fiscal year next following the effective date  
16 of P.L.2021, c.197, 75 percent of the amount determined pursuant  
17 to section 11 of P.L.2021, c.197 (C.52:27H-98) shall be **【deposited**  
18 **in the enterprise zone assistance fund】** available to fulfill the  
19 purposes of this section and 25 percent of such amount shall be  
20 deposited in the General Fund.

21 (2) The State Treasurer shall maintain separate accounts for  
22 each enterprise zone designated under P.L.1983, c.303 (C.52:27H-  
23 60 et seq.) that is in good standing with the UEZ Authority in  
24 accordance with rules adopted by the UEZ Authority, and one in the  
25 authority's name for the administration of the Urban Enterprise  
26 Zone program, and for providing grants, including planning grants,  
27 investments, loans or other guaranties related to qualified assistance  
28 fund expenses. The State Treasurer shall credit to each account an  
29 amount of the moneys deposited in the fund and available to fulfill  
30 the purposes of this section, which amount shall be determined by a  
31 weighted formula that applies 50 percent weight to a zone  
32 municipality's number of commercial and industrial parcels as  
33 recorded by the municipal tax assessor, its Municipal Revitalization  
34 Index Distress Score, as determined by the Department of  
35 Community Affairs, and the average number of unemployed  
36 persons in the municipality according to data provided by the New  
37 Jersey Department of Labor and Workforce Development, and 50  
38 percent weight to the gross taxable sales in the municipality subject  
39 to reduced sales tax pursuant to section 21 of P.L.1983, c.303  
40 (C.52:27H-80), as determined by the State Treasurer. The data used  
41 in the formula, developed under this section, shall be the most  
42 recent data that has been made available by the Department of  
43 Community Affairs, the Department of Labor and Workforce  
44 Development, and the State Treasurer. When funds are received by  
45 a qualifying municipality pursuant to this subsection, the funds shall  
46 be placed in a new trust or, for a qualifying municipality that has a  
47 trust for an enterprise zone on the effective date of P.L.2021, c.197,  
48 in the existing trust. The Division of Local Government Services in

1 the Department of Community Affairs shall promulgate regulations,  
2 policies, or procedures as necessary to implement the provisions of  
3 this section.

4 (3) **【**From the amounts allocated to the zone assistance fund in  
5 each State fiscal year pursuant to section 11 of P.L.2021, c.197  
6 (C.52:27H-98), there shall be deposited annually to the account in  
7 the authority's name, \$2,500,000 beginning**】** Beginning in State  
8 Fiscal Year 2022, \$2,500,000 shall be appropriated annually from  
9 the account in the authority's name for the administration of the  
10 Urban Enterprise Zone program, and for providing grants,  
11 investments, loans, or other guaranties related to qualified  
12 assistance fund expenses. This amount shall be adjusted annually  
13 by the percentage change in the 12-month Consumer Price Index  
14 from June 30 to July 1.

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

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

34 b. The enterprise zone assistance fund shall be used for the  
35 purpose of assisting qualifying municipalities in which enterprise  
36 zones are designated in undertaking economic development projects  
37 in designated enterprise zones by funding qualified assistance fund  
38 expenses. However, a municipality shall not appropriate or expend;  
39 more than 25 percent of the amount annually credited to its  
40 enterprise zone assistance fund for public safety purposes, as  
41 described **【**pursuant to**】** in paragraph (4) of subsection m. of section  
42 3 of P.L.1983, c.303 (C.52:27H-62); or more than 10 percent of the  
43 amount annually credited to its enterprise zone assistance fund for  
44 administrative expenses.

45 c. The governing body of a qualifying municipality in which an  
46 enterprise zone is designated and the zone development corporation  
47 created or designated by the municipality for that enterprise zone  
48 may, by resolution jointly adopted after public hearing, propose to

1 undertake an economic development project in the enterprise zone,  
2 and to fund that project from moneys deposited in the enterprise  
3 zone assistance fund and credited to the account maintained by the  
4 State Treasurer for the enterprise zone.

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

7 (1) A description of the proposed project;

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

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

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

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

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

22 As used in this section, "project" means an activity that satisfies  
23 the requirements of a qualified assistance fund expense, as that term  
24 is defined in subsection m. of section 3 of P.L.1983, c.303  
25 (C.52:27H-62), and which will lead to the creation of new jobs and  
26 increased economic activity within the zone.

27 d. (Deleted by amendment, P.L.2021, c.197)

28 e. (Deleted by amendment, P.L.2021, c.197)

29 f. (Deleted by amendment, P.L.2021, c.197)

30 g. (Deleted by amendment, P.L.2021, c.197)

31 h. At the end of a State fiscal year, if a municipality has not  
32 encumbered a portion of its allocation, such amount may be carried  
33 forward to the next State fiscal year and the State fiscal year  
34 thereafter. If at the end of the third State fiscal year any of those  
35 unencumbered funds remain, then the funds shall be transferred to  
36 the UEZ Authority's account in the enterprise zone assistance fund.

37 i. At the end of a State fiscal year, if a municipality has not  
38 expended or otherwise committed a portion of its encumbered  
39 funds, then such amount may be carried forward to the next three  
40 succeeding State fiscal years. If at the end of the third State fiscal  
41 year any unexpended funds remain, then the funds shall be  
42 transferred to the UEZ Authority's account in the enterprise zone  
43 assistance fund.

44 j. At the end of a State fiscal year, the Department of  
45 Community Affairs shall review an enterprise zone's expenditures  
46 of funds received from the zone assistance fund. If the department  
47 finds that an enterprise zone expended such funds in a manner  
48 inconsistent with the provisions of P.L.1983, c.303 (C.52:27H-60 et

1 seq.) and P.L.2021, c.197, then the enterprise zone shall repay such  
2 funds to the department through the forfeiture of future zone  
3 assistance fund disbursements. The department shall withhold  
4 future funding from the enterprise zone until the enterprise zone  
5 enters into and complies with a corrective action plan developed by  
6 the department.

7 k. If in a State fiscal year the amount allocated to the enterprise  
8 zone assistance fund is less than the amount required to be allocated  
9 to fulfill the purposes of this section pursuant to section 11 of  
10 P.L.2021, c.197 (C.52:27H-98) and paragraph (1) of subsection a.  
11 of this section, the Legislature shall appropriate to the enterprise  
12 zone assistance fund the amount that was not allocated in such State  
13 fiscal year in a succeeding State fiscal year along with the funds  
14 required to be allocated in that State fiscal year.  
15 (cf: P.L.2021, c.197, s.10)

16

17 3. Section 11 of P.L.2021, c.197 (C.52:27H-98) is amended to  
18 read as follows:

19 11. a. The combined State tax expenditures in State Fiscal Year  
20 2022 for the Urban Enterprise Zone Special Sales Tax Rate and  
21 Urban Enterprise Zone Exempt Business Purchases, as expressed in  
22 the Fiscal Year 2022 State of New Jersey Tax Expenditure Report,  
23 shall be the "ZAF base fund amount."

24 In State Fiscal Year 2023, the amount to be appropriated to the  
25 enterprise zone assistance fund and made available to fulfill the  
26 purposes set forth in section 29 of P.L.1983, c.303 (C.52:27H-88)  
27 shall be determined as follows: The State Treasurer, in consultation  
28 with the UEZ Authority, shall determine the combined State tax  
29 expenditures for the Urban Enterprise Zone Special Sales Tax Rate  
30 and Urban Enterprise Zone Exempt Business Purchases in the six-  
31 month period beginning January 1, 2022 and ending June 30, 2022.  
32 The combined State tax expenditures for the Urban Enterprise Zone  
33 Special Sales Tax Rate and Urban Enterprise Zone Exempt  
34 Business Purchases for the six-month period beginning January 1,  
35 2022 and ending June 30, 2022, shall be multiplied by two and then  
36 subtracted from the ZAF base fund amount. The difference shall be  
37 the amount to be appropriated to the enterprise zone assistance fund  
38 and made available to fulfill the purposes set forth in section 29 of  
39 P.L.1983, c.303 (C.52:27H-88) in State Fiscal Year 2023  
40 **【appropriation to the enterprise zone assistance fund】.**

41 Beginning in State Fiscal Year 2024, and in each State fiscal  
42 year thereafter, the amount to be appropriated to the enterprise zone  
43 assistance fund and made available to fulfill the purposes set forth  
44 in section 29 of P.L.1983, c.303 (C.52:27H-88) shall be determined  
45 as follows: After January 1 but prior to June 30, the State Treasurer,  
46 in consultation with the UEZ Authority, shall develop a  
47 methodology to compare the combined State tax expenditures for  
48 the Urban Enterprise Zone Special Sales Tax Rate and Urban

1 Enterprise Zone Exempt Business Purchases in the prior State fiscal  
2 year with the ZAF base fund amount to calculate the savings  
3 achieved by P.L.2021, c.197. The savings determined shall be the  
4 amount appropriated to the enterprise zone assistance fund to fulfill  
5 the purposes set forth in section 29 of P.L.1983, c.303 (C.52:27H-  
6 88) for the State fiscal year.

7 b. Notwithstanding the provisions of subsection a. of this  
8 section, for State Fiscal Year 2023 and thereafter, the amount  
9 appropriated to the enterprise zone assistance fund and made  
10 available to fulfill the purposes set forth in section 29 of P.L.1983,  
11 c.303 (C.52:27H-88) shall not exceed \$82,500,000, and in Fiscal  
12 Year 2024, and in each year thereafter, \$82,500,000 as adjusted  
13 annually based on the percentage change in the 12-month Consumer  
14 Price Index from June 30 to July 1 of each year, and shall be no less  
15 than \$60,000,000. Should the balance of the enterprise zone  
16 assistance fund be in excess of the amount appropriated annually to  
17 fulfill the purposes set forth in section 29 of P.L.1983, c.303  
18 (C.52:27H-88), such excess amount shall be deposited in the  
19 General Fund. If the application of the formulas set forth in  
20 subsection a. of this section will result in an appropriation to the  
21 enterprise zone assistance fund that is less than \$60,000,000 and  
22 made available to fulfill the purposes set forth in section 29 of  
23 P.L.1983, c.303 (C.52:27H-88) in any State fiscal year, then the  
24 State Treasurer, in consultation with the UEZ Authority, shall  
25 impose a limit on the receipts from retail sales of tangible personal  
26 property and sales of services to a qualified business that are  
27 exempt from the sales and use tax pursuant to section 20 of  
28 P.L.1983, c.303 (C.52:27H-79); provided, however, that no less  
29 than the receipts from the first \$50,000 of retail sales of tangible  
30 personal property and sales of services to a qualified business shall  
31 be exempt from the sales and use tax in accordance with section 20  
32 of P.L.1983, c.303 (C.52:27H-79).  
33 (cf: P.L.2021, c.197, s.11)

34  
35 4. There is appropriated \$82,500,000 from the General Fund to  
36 the enterprise zone assistance fund created pursuant to section 29 of  
37 P.L.1983, c.303 (C.52:27H-88) for the purposes of that fund, and  
38 for the uses prescribed in section 29 of P.L.1983, c.303 (C.52:27H-  
39 88).

40  
41 5. This act shall take effect immediately.

42  
43

#### 44 STATEMENT

45

46 This bill would clarify the process for appropriating revenue  
47 under the State Urban Enterprise Zone (UEZ) Program for use  
48 within the UEZs. The bill is designed to overcome administrative

**A5438 PINTOR MARIN**

10

- 1 issues identified during attempts to implement provisions of a  
2 recent amendment (P.L.2021, c.197) to the "New Jersey Urban  
3 Enterprise Zones Act," (NJUEZA) P.L.1983, c.303 (C.52:27H-60 et  
4 seq.). Specifically, this bill would:
- 5 • provide that revenues collected in UEZs from retail sales  
6 subject to the 50% sales tax exemption would be deposited  
7 in the Zone Assistance Fund (ZAF);
  - 8 • modify NJUEZA language to provide that UEZ revenue will  
9 flow directly to the ZAF;
  - 10 • resolve issues encountered due to a provision of the FY2022  
11 Appropriations Act, and appropriate \$82.5 million to the  
12 ZAF;
  - 13 • provide that sales of medical and recreational cannabis, and  
14 related supplies, are excluded from the term "retail sales" as  
15 used in the NJUEZA and, similar to alcoholic beverages and  
16 other goods and services, would not be eligible for a  
17 reduction in sales tax under the NJUEZA; and
  - 18 • make certain technical changes.

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

### ASSEMBLY, No. 5438

with committee amendments

# STATE OF NEW JERSEY

DATED: JANUARY 4, 2024

The Assembly Appropriations Committee reports favorably and with committee amendments Assembly Bill No. 5438.

As amended, this bill clarifies the process for appropriating revenue under the State Urban Enterprise Zone (UEZ) Program for use within UEZs. Specifically, this bill clarifies this process by: (1) requiring the revenues collected in UEZs from retail sales subject to the 50 percent sales tax exemption to be deposited in the Zone Assistance Fund (ZAF); (2) providing that the UEZ revenue flows directly to the ZAF; (3) excluding the sales of medical and recreational cannabis, and related supplies from the 50 percent sales tax exemption within UEZs, as is currently the case for alcoholic beverages and other goods and services; and (4) making certain technical changes.

As amended and reported by the committee, Assembly Bill No. 5438 is identical to Senate Bill No. 3837 (1R), which was also amended and reported by the committee on this date.

#### COMMITTEE AMENDMENTS:

The committee amendments:

(1) substitute the term “cannabis products” for “related supplies” in defining which cannabis products are exempt from the sales and use tax in an UEZ;

(2) clarify that the State Treasurer is required to deposit all UEZ revenues, as well as all moneys annually appropriated to the ZAF, into the fund;

(3) remove section 4 of the bill, which appropriates \$82.5 million from the General Fund to the ZAF;

(4) have the provisions of the bill take effect at the beginning of the next reporting period following 30 days after enactment; and

(5) provide technical corrections.

#### FISCAL IMPACT:

The Office of Legislative Services concludes that the bill will result in an increase in State revenues associated with a 100 percent increase in the sales tax collected in Urban Enterprise Zones (UEZs) for recreational cannabis and cannabis-related supplies. The bill

requires tax revenues on the sale of recreational cannabis items to be credited to the Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Fund and the Underage Deterrence and Prevention Account within the fund.

# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

## ASSEMBLY, No. 5438

### STATE OF NEW JERSEY 220th LEGISLATURE

DATED: JANUARY 10, 2024

#### SUMMARY

**Synopsis:** Clarifies process for administrative appropriations to UEZs.

**Type of Impact:** Annual State Revenue Increase.

**Agencies Affected:** Department of the Treasury.

#### Office of Legislative Services Estimate

<b>Fiscal Impact</b>	<b><u>Urban Enterprise Zones</u></b>
<b>Annual State Revenue from UEZs</b>	100 percent Increase in full Sales Tax Collections for Recreational Cannabis and Related Supplies in 37 UEZs

- The Office of Legislative Services (OLS) concludes that the bill will result in an indeterminate increase in State revenues associated with a 100 percent increase in the sales tax collected in Urban Enterprise Zones (UEZs) for recreational cannabis and cannabis-related supplies. The bill requires tax revenues on the sale of recreational cannabis items to be credited to the Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Fund and the Underage Deterrence and Prevention Account within the fund.

#### BILL DESCRIPTION

The bill clarifies the process for appropriating revenue under the State UEZ Program for use within UEZs. Specifically, the bill excludes the sales of medical and recreational cannabis, and related supplies from the 50 percent sales tax exemption within UEZs, as is currently the case for alcoholic beverages and some other retail sales.

**FISCAL ANALYSIS*****EXECUTIVE BRANCH***

None received.

***OFFICE OF LEGISLATIVE SERVICES***

The OLS concludes that the bill will result in an increase in State revenues associated with a 100 percent increase in the sales tax collected in UEZs for recreational cannabis and cannabis-related supplies. Current law provides that qualified businesses within a UEZ may charge sales tax at half of the regular rate on certain retail sales. The bill provides that neither medical nor recreational cannabis, nor cannabis supplies, qualify for the reduced sales tax rate. However, medical cannabis is not subject to sales tax under current law. The bill will therefore increase the amount of sales tax to be collected for recreational cannabis and cannabis supplies from 3.3125 percent to 6.625 percent within UEZs. The bill requires tax revenues on the sale of recreational cannabis items to be credited to the Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Fund and the Underage Deterrence and Prevention Account within the fund. The OLS is unable to estimate the number of businesses that are located within UEZs which sell or will sell recreational cannabis or cannabis supplies or the prices of these products and, therefore, cannot predict the specific increase in sales tax to be collected pursuant to the bill.

The bill also clarifies that the gross amount of all revenues from the taxation of retail sales within a UEZ, which excludes sales of motor vehicles, alcoholic beverages, cigarettes, manufacturing machinery, energy, and cannabis, are required to be deposited in the Enterprise Zone Assistance Fund for the fund's purposes.

The monies deposited in the Underage Deterrence and Prevention Account are used to fund private for-profit and non-profit organizations, and county and municipal programs and services that offer social services, educational, recreational, and employment opportunities, and local economic development designed to encourage, improve, and support youthful community activities to divert and prevent persons under 18 years of age from activities associated with the consumption of cannabis items, or marijuana, or hashish. To the extent that the increased revenues derived from the bill are used to fund additional deterrence programs, State expenditures will increase by an indeterminate amount.

*Section: Local Government*  
*Analyst: Abigail Stoyer*  
*Associate Fiscal Analyst*  
*Approved: Thomas Koenig*  
*Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

# Governor Murphy Takes Action on Legislation

01/16/2024

TRENTON – Today, Governor Murphy signed the following bills into law:

**SCS for S-281/ACS for A-3791 (Greenstein, Turner/Sumter, Reynolds-Jackson) – w/STATEMENT** - Concerns automatic fire sprinkler systems within newly constructed townhouses  
[Copy of Statement](#)

**S-539wGR/A-2140 (Ruiz, Pou/Reynolds-Jackson, Wimberly, Mosquera)** - Permits online purchase of eligible foods using WIC funds and use of WIC funds for grocery delivery ch

**S-659/A-2014 (Oroho, Greenstein/Conaway, Wirths, Umba)** - "Manufacturing in Higher Education Act"; requires various State entities to promote manufacturing career pathways students and provides assistance to manufacturing industry

**S-1110/A-3936 (Polistina, Singleton/Guardian, Swift, McClellan)** - Authorizes CRDA to finance transportation projects between Atlantic City Airport and Atlantic City Tourism Dis

**S-1662/A-3526 (Ruiz, Codey/Lampitt, Benson, Sauickie)** - Requires NJ Youth Suicide Prevention Advisory Council to prepare report regarding suicide prevention instruction in pu schools

**S-1680wGR/A-2257 (Pou, Ruiz/Murphy, Quijano, Wimberly)** - Designates each community college in State as provider of allowable services under SNAP employment and training program

**S-2076/ACS for A-3319 (Zwicker, Greenstein/McKnight, Lampitt)** - Establishes "Twelfth Grade Postsecondary Transition Year Pilot Program" in Department of Education

**S-2535wGR/A-4048 (Polistina, Pou/Benson, McKnight, Reynolds-Jackson, Carter)** - Requires health benefits coverage of hearing aids and cochlear implants

**S-2841/A-4292 (Scutari, Bramnick/Carter)** - Raises minimum amount of liability coverage for commercial motor vehicles and autocabs

**SCS for S-3080/ACS for-398 (Ruiz, Burgess/Caputo, Giblin, Tucker)** - Establishes position of Youth Disconnection Prevention and Recovery Ombudsperson; establishes "School Disconnection Prevention Task Force"; appropriates \$200,000

**S-3102/A-4715 (Smith, Singleton/Stanley, Benson)** - Establishes uptime requirement for electric vehicle charging station incentive programs

**S-3176/A-4760 (Greenstein, Smith/Swain, Haider, Tully)** - Requires DEP and Drinking Water Quality Institute to perform study concerning regulation and treatment of perfluoroalkyl and polyfluoroalkyl substances

**SCS for S-3632 and 3649w/GR/ACS for A-1948 (Johnson, Cryan/Haider, Conaway, Quijano)** - Requires labeling of non-flushable disposable wipes

**S-3758/A-5343 (Cryan/Karabinchak)** - Changes deadline for unaffiliated mail-in voters to declare their political party before primary election

**S-3837/A-5438 (Pou, Cruz-Perez/Pintor Marin, Wimberly)** - Clarifies process for administrative appropriations to UEZs

**S-3897/A-5578 (Ruiz, Sarlo/Jasey, Carter, Reynolds-Jackson)** - Authorizes Higher Education Student Assistance Authority to award annual summer tuition aid grants

**S-4040/A-5881 (Polistina, Lagana/Tully, Guardian, Swift)** - Concerns jurisdiction and operations of regional municipal courts

**S-4084/A-5851 (Ruiz, Cruz-Perez/Moriarty, Calabrese, Moen)** - Concerns temporary registration certificates and license plates

**S-4130/A-5849 (Codey/Jasey, Tucker)** - Special legislation to change name of "Township of South Orange Village" to "South Orange Village"; changes titles of certain municipal officials; permits nonpartisan municipal elections to be moved to November; permits stipend for governing body members

**S-4206/A-5856 (Sarlo/Calabrese)** - Changes number of signatures required on primary election petition to nominate certain municipal candidates in certain municipalities

**S-4209/A-5879 (Sarlo/Pintor Marin)** - Eliminates vote on school budgets for Type II school districts in April elections, except for separate proposals to spend above cap

**S-4268/A-5911 (Scutari/Danielsen)** - Permits certain special State officers to represent cannabis businesses

**A-203/S-2884 (Rooney, Benson, Caputo/A.M. Bucco)** - Authorizes creation of special license plates commemorating horse as State animal

**A-1100/S-995 (Calabrese, Mukherji, McKnight/Ruiz, Stack)** - Requires entities to remove abandoned lines and mark information on certain lines

**A-1107/S-770 (Chaparro, Murphy, Mukherji/Pou, Beach)** - Directs Chief Technology Officer to conduct study on impacts of redacting handwritten signatures published on State websites; allows for protocols for such redactions to be established by rules and regulations

**ACS for A-1255/SS for S-1794 (Stanley, Conaway, Benson/Gopal, Singer)** - Updates requirements and standards for authorization and prior authorization of health care services

**A-1727/S-3300 (Speight, Reynolds-Jackson, Verrelli/Stanfield, Ruiz)** - Requires Attorney General to perform outreach and provide services to victims of human trafficking under certain circumstances

**A-1729/S-3550 (Speight, Reynolds-Jackson, McKnight/Greenstein, Ruiz)** - Requires AG to address human trafficking in underserved communities

**A-1755/S-2505 (McKeon, Calabrese, Conaway/Smith, Greenstein)** - Requires installation of operational automatic rain sensor or smart sprinkler as condition of sale of certain re properties, and on certain commercial, retail, and industrial properties and common interest communities within specified timeframes

**A-2146wGR/S-855 (Reynolds-Jackson, Wimberly, Sumter/Singleton, Beach)** - Creates State business assistance program to establish contracting agency procurement goals for socially and economically disadvantaged business enterprises

**A-2581/S-2503 (Lampitt, Park/Beach)** - Provides that certain cosmetology and hairstyling courses may be taught using distance learning technology

**A-3142/S-1564 (Moen, Moriarty, Benson/Singleton, Corrado)** - Authorizes grants to purchase and rehabilitate abandoned homes for homeless veterans

**A-3211/S-2302 (Speight, Haider, Swain/Gopal, Ruiz)** - Establishes "New Jersey Feminine Hygiene Products for the Homeless Act"

**A-3980/S-2706 (Speight, McKnight, Atkins/Zwicker, Turner)** - Grants child placed in resource family care and resource family parents the right to be notified when case manager

supervisor is assigned to child; grants child in resource family care right to be notified of certain property and benefits

**A-4033wGR/S-2657 (Coughlin, Wimberly/Sarlo, Ruiz)** - Extends deadline for completion of school district's annual audit

**A-4049/S-3495 (McKnight, Reynolds-Jackson, Benson/Vitale, Johnson)** - Provides for presumptive eligibility for home and community-based services and services provided thru program of all-inclusive care for the elderly under Medicaid

**A-4105/S-4202 (Lopez, Jimenez, Quijano/Vitale, Turner)** - Establishes Interagency Council on Homelessness

**A-4183/S-4264 (Haider/Singleton)** - Concerns local unit filing requirement for certain shared services agreements

**A-4212/S-2762 (Pintor Marin, Reynolds-Jackson, Verrelli/Ruiz, Cunningham)** - Establishes Center for Career Relevant Education and Talent Evaluation of New Jersey at Thomas Edison State University

**A-4337/S-4156 (Conaway, Atkins, Rooney/Singleton, Pou)** - Requires Department of Health to provide information to Statewide 2-1-1 telephone system regarding the location of disposal sites for hypodermic syringes and needles and prescription drugs

**ACS for A-4496/SCS for S-3247 (Coughlin, Lampitt, Karabinchak, Wimberly/Zwicker, Greenstein)** - Revises various provisions of law governing construction of school facilities projects and operations of New Jersey Schools Development Authority; establishes "Charter School and Renaissance School Project Facilities Loan Program" in EDA

**A-4522/S-3234 (Moen, McKnight, Quijano/Singer, Singleton)** - Requires certain disclosures by sellers of single-family homes with solar panels installed

**A-4691/S-1530 (Swain, DeAngelo, Speight/Greenstein, Zwicker)** - Requires hazard mitigation plans to include climate change-related threat assessments and hazard prevention mitigation strategies

**A-4723/S-2740 (McKeon, Moriarty, Rooney/Codey, Scutari)** - Requires motor vehicle dealer to offer to delete personal information in motor vehicles in certain situations

**A-4791/S-3184 (Kennedy, Haider, McKeon/Diegnan, Sarlo)** - Establishes "Resiliency and Environmental System Investment Charge Program"

**ACS for A-4794/S-3224 (Benson, Mukherji/Singleton, Turner)** - Requires request for proposal to establish demonstration projects to develop electric vehicle charging depots served by distributed energy resource charging centers for certain electric vehicle use

**A-4814/S-1023 (Moen, Wimberly/Singleton, Gopal)** - Removes expected family contribution from calculation of financial need under circumstances in which public institutions or higher education may reduce student's institutional financial aid

**ACS for A-4821 and 4823wGR/S-3283 (Karabinchak, Conaway, Schaer/Greenstein, Zwicker)** - Directs DEP to take certain actions concerning identification and testing of microplastics in drinking water, and requires DEP and BPU to study and promote use of microplastics removal technologies

**A-4955/S-3531 (S. Kean, Thomson/Singer, Gopal)** - Designates portion of State Highway Route 71 as "John Tarantino Highway"

**A-5094/S-3476 (Spearman/Beach, Greenstein)** - Concerns licensing of security officer companies

**A-5227/S-3662 (Danielsen, Space/Smith, Oroho)** - Expands eligibility for "fishing buddy license" fee

**A-5285/SCS for S-3708 (Greenwald, Haider, Lopez/Greenstein, A.M. Bucco)** - Requires copies of certain law enforcement records to be provided to victims of domestic violence upon request

**A-5293/S-3746 (Greenwald, McKnight, Rooney/Gopal, Ruiz)** - Concerns New Jersey Civic Information Consortium

**A-5311/S-3061 (Verrelli, McKnight, Matsikoudis/Stanfield, Turner)** - Enters New Jersey into Counseling Compact

**A-5391/S-3765 (DeAngelo/Diegnan, Corrado)** - Imposes conditions on drivers approaching disabled vehicles

**A-5412/S-3850 (Greenwald, Swain, Jasey/Gopal, Singer)** - Establishes nonpublic school transportation program to provide funding to consortiums of nonpublic schools that will assume responsibility for mandated nonpublic school busing

**A-5416wGR/S-3883 (Wimberly, Giblin, Haider/Greenstein, Turner)** - Requires State Board of Education to authorize alternate route to expedite teacher certification of persons employed as paraprofessionals in school districts

**A-5442/S-3793 (Karabinchak, Conaway, McKeon/Smith, Greenstein)** - Directs BPU to conduct study to determine feasibility, marketability, and costs of implementing large-scale geothermal heat pump systems in State

**A-5462/S-3867 (Coughlin, McKnight, Speight/Vitale, Turner)** - Revises law establishing Office of Food Security Advocate, and establishes certain conditions for use of monies appropriated to emergency food organizations

**ACS for A-5495/SCS for S-3846 (Danielsen/Scutari, A.M. Bucco)** - Clarifies types of firearms allowed to be carried or transported while hunting

**A-5516/S-4047 (Reynolds-Jackson, Verrelli, Conaway/Burgess, Turner)** - Requires certain health care professionals to undergo bias training

**A-5565/S-3971 (S. Kean, Thomson/Gopal)** - Provides that 10-year term does not apply to lease of certain municipal properties unless they are waterfront properties or related to waterfront concessions

**A-5567/S-3807 (Torrissi, Calabrese/A.M. Bucco, Sarlo)** - Extends period of usefulness of fire engines for bonding purposes from 10 to 20 years; eliminates exclusion of passenger cars and station wagons

**A-5582/S-3781 (Swain, Simonsen/Lagana, Cryan)** - Establishes grant program for NJ YouthBuild programs through DOLWD; makes appropriation

**A-5610wGR/S-3954 (Greenwald, Spearman, Chaparro/Beach, A.M. Bucco)** - Revises penalties for possession or consumption of alcoholic beverages by underage persons

**A-5748/S-4166 (Spearman, Moen, Moriarty/Cruz-Perez, Madden)** - Amends definition of "participating county" under County Option Hospital Fee Program

**A-5755/S-4183 (Carter, Sumter, Wimberly, Quijano/Scutari, Singleton)** - Enhances notice requirements and occupancy restrictions for hotels and multiple dwellings following determination of potentially hazardous condition

**A-5799/S-1472 (Moen, Moriarty/Beach, Stack)** - Authorizes DOT to establish and administer toll collection and enforcement system on behalf of NJ toll authorities and to enter into reciprocal agreements for enforcement of toll violations with toll authorities from other states

**A-5806/S-4165 (Moriarty, Sauickie/Greenstein, Oroho)** - Appropriates \$48 million from constitutionally dedicated CBT revenues to DEP for State acquisition of lands for recreational and conservation purposes, including Blue Acres projects, and Green Acres Program administrative costs

**A-5807/S-4138 (Freiman/Johnson, Schepisi)** - Appropriates \$58 million from constitutionally dedicated CBT revenues for recreation and conservation purposes to DEP for State capital and park development projects

**A-5808/S-4135 (Park, Freiman, Lopez/Beach, Turner)** - Appropriates \$15,564,293 from constitutionally dedicated CBT revenues to NJ Historic Trust for grants for certain historic preservation projects and associated administrative expenses

**A-5809/S-4097 (Swain, Lopez, Sauickie/Zwicker, Gopal)** - Amends lists of projects eligible to receive loans for environmental infrastructure projects from NJ Infrastructure Bank FY 2024

**A-5810/S-4098 (Sampson, Sauickie, Lopez/Greenstein, Stanfield)** - Amends lists of environmental infrastructure projects approved for long-term funding by DEP under FY 2024 environmental infrastructure funding program

**A-5828/S-4201 (Lopez/Vitale)** - Authorizes State Treasurer to sell as surplus certain real property and improvements in Township of Woodbridge in Middlesex County

**A-5835/S-4134 (Greenwald, Lampitt/Beach, Turner)** - Authorizes regional authority to develop and operate regional rehabilitation and reentry center

**A-5836/S-4212 (DeAngelo, Sumter, Wimberly/Gopal, Greenstein)** - Makes supplemental appropriation of \$650,000 to New Jersey Division of State Police for trooper recruitment retention

**A-5910/S-4266 (Egan/Codey)** - Increases annual salary of certain public employees and officers

**AJR-200/SJR-138 (Park, Freiman, Calabrese/Lagana)** - Designates November 22 of each year as Kimchi Day

Governor Murphy pocket vetoed the following bills:

**S-2989/A-1739 (Pou, Singer/McKeon, Quijano, Flynn)** - Makes certain for-profit debt adjusters eligible for licensing to conduct business in State

**S-3172/A-4689 (Gopal, Turner/Lampitt, Matsikoudis, McKnight)** - Establishes teacher certification route for candidates with Montessori teaching credentials

**S-3287/ACS for A-4852 and 1170 (Turner/Reynolds-Jackson, Jasey, Dunn, Wimberly, Calabrese, Spearman, Verrilli)** - Requires institutions of higher education to maintain support policy governing use of naloxone hydrochloride nasal spray for opioid overdose emergencies

**A-1476/S-930 (Benson, Dancer/Holzapfel, Diegnan)** - Exempts certain motor vehicles that are owned by certain nutrition programs and certain nonprofit organizations that offer social services from motor vehicle registration fees

**A-3642/S-665 (Wirthis, Murphy, Benson, Oroho/Greenstein)** - Requires MVC to place designation on motor vehicle's registration information indicating registrant is deaf

**A-3945/S-1660 (Quijano, Reynolds-Jackson, Carter/Ruiz, Singleton)** - Establishes "Male Teachers of Color Mentorship Pilot Program"; appropriates \$95,000

**A-4177/S-2478 (Mosquera, Swain, McKnight, Tucker, Dunn/Ruiz, Vitale)** - Extends duration of law requiring certain provider subsidy payments for child care services be based on enrollment

**A-4396/S-2927 (Lampitt, Jasey, Caputo/Codey)** - Establishes timelines for review and approval by Commissioner of Education of annual certified audits submitted by approved private schools for students with disabilities

**A-4621/S-3156 (Mosquera, Greenwald, Swain/Madden)** - Requires issuance of report on certain information and data on processing of applications for professional and occupational licenses and mandates review of training and call intake in Division of Consumer Affairs.

**A-4740/S-2970 (Mukherji, DeAngelo, McKnight/Cruz-Perez, Turner)** - Provides employee access to employee's employment records on file with DOLWD

**A-5294/S-1825 (Greenwald, Swain, Rooney/Steinhardt, Sarlo, Doherty)** - Exempts sales of investment metal bullion and investment coins from sales and use tax

**A-5893/S-4228 (Karabinchak, Calabrese, Sauickie/Gopal, Sarlo)** - Extends annual horse racing purse subsidies through State fiscal year 2029