

40A:4-39

**LEGISLATIVE HISTORY CHECKLIST**  
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(Landfill reclamation)

**NJSA:** 40A:4-39

**LAWS OF:** 1995 **CHAPTER:** 173

**BILL NO:** S1760

**SPONSOR(S):** DiFrancesco & Lesniak

**DATE INTRODUCED:** January 19, 1995

**COMMITTEE:** **ASSEMBLY** Appropriations

**SENATE:** Natural Resources; Budget

**AMENDED DURING PASSAGE:** Yes Senate committee substitute for SC5 (1R) enacted

**DATE OF PASSAGE:** **ASSEMBLY:** May 1, 1995 Re-enacted 6-29-95

**SENATE:** March 30, 1995 Re-enacted 6-26-95

**DATE OF APPROVAL:** July 6, 1995

**FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:**

**SPONSOR STATEMENT:** Yes

**COMMITTEE STATEMENT:** **ASSEMBLY:** Yes

**SENATE:** Yes 2-27-95 & 3-13-95

**FISCAL NOTE:** No

**VETO MESSAGE:** Yes

**MESSAGE ON SIGNING:** Yes

**FOLLOWING WERE PRINTED:**

**REPORTS:** No

**HEARINGS:** No

See newspaper clipping--attached:  
"Whitman signs landfill reclamation bill," 7-7-95, Trenton Times.

KBG:pp

[FIRST REPRINT]

SENATE COMMITTEE SUBSTITUTE FOR  
SENATE COMMITTEE SUBSTITUTE FOR  
SENATE, No. 1760

STATE OF NEW JERSEY

ADOPTED MARCH 13, 1995

Sponsored by Senators DiFRANCESCO, LESNIAK,  
Assemblymen Suliga and Augustine

1 AN ACT concerning landfill reclamation improvement districts,  
2 supplementing Title 40A of the New Jersey Statutes and  
3 amending N.J.S.40A:4-39 <sup>1</sup>[and P.L.1983, c.303]<sup>1</sup>.

4

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

7 1. (New section) The Legislature finds and declares that it is a  
8 public purpose and compelling State interest to facilitate the  
9 redevelopment of landfill reclamation sites within municipalities  
10 that are attempting to create economic growth and thereby to  
11 promote job creation and economic development.  
12 Environmentally sound landfill reclamation is essentially a  
13 "capping" process, and the development potential of a capped  
14 landfill is limited. The extensive closed landfill areas in some of  
15 the State's urban areas, the prior commercial retail development  
16 experience and the excellent transportation potential of those  
17 areas makes it vital that the commercial reuse of those sites be  
18 encouraged by providing municipal governments with the  
19 appropriate financing tools.

20 The Legislature, therefore, determines that it is appropriate to  
21 enable certain municipalities to establish landfill reclamation  
22 improvement districts comprising reclaimed landfills of sufficient  
23 size in existing urban enterprise zones and to provide those  
24 municipalities with the appropriate economic tools for the  
25 reclamation. To provide those tools, it is appropriate to allow a  
26 municipality to fund beneficial improvements through the use of  
27 revenue<sup>1</sup> bonds, and <sup>1</sup>[to provide a tax increment financing  
28 mechanism for funding those bonds. It is also appropriate]<sup>1</sup> to  
29 allow a municipality to act as a conduit through which the  
30 commercial tenants of a development district may finance their  
31 own futures by franchise assessments on businesses within the  
32 district, with the proceeds of the assessment to be used for land  
33 reclamation and infrastructure improvements made directly by a  
34 municipality within the district or indirectly through redevelopers.

35 2. (New section) As used in sections 1 through <sup>1</sup>[8] 6.<sup>1</sup> of this  
36 act:

37 "Redeveloper" means any person that enters or proposes to  
38 enter into a redevelopment agreement with a municipality that  
39 has established a landfill reclamation improvement district.

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 amendments adopted in accordance with Governor's  
recommendations June 22, 1995.

1 "Redevelopment agreement" means a contract between a  
2 municipality and a redeveloper for any work or undertaking for  
3 the clearance, development and redevelopment, construction or  
4 rehabilitation of any structure or improvement of commercial,  
5 industrial or public structures or improvements that provide a  
6 public benefit within a district undertaken pursuant to an  
7 ordinance creating a landfill reclamation improvement district  
8 pursuant to section 3 of P.L. , c. (C. )(now before the  
9 Legislature as this bill).

10 "Franchise assessment" means: (1) an assessment on the  
11 amount of the sale price of all tangible property sold by a  
12 business in a district, valued in money, whether received in  
13 money or otherwise, excluding the cost of transportation if such  
14 cost is separately stated in the written contract and excluding  
15 any tax imposed pursuant to the "Sales and Use Tax Act,"  
16 P.L.1966, c.30 (C.54:32B-1 et seq.); (2) an assessment on all  
17 rental receipts from the rental of commercial property in a  
18 district; or (3) both (1) and (2).

19 "Landfill reclamation improvement district" or "district"  
20 means a contiguous tract of land of at least 150 acres in size, of  
21 which not less than 100 acres were formerly used as a landfill,  
22 located in a <sup>1</sup>[city of the second class] municipality having a  
23 population of more than 12,000<sup>1</sup> according to the latest federal  
24 decennial census and in an area designated as an urban enterprise  
25 zone in which the receipts of certain sales are exempt to the  
26 extent of 50% of the tax imposed under the "Sales and Use Tax  
27 Act," P.L.1966, c.30 (C.54:32B-1 et seq.), pursuant to section 21  
28 of P.L.1983, c.303 (C.52:27H-80), which has been designated a  
29 landfill reclamation improvement district by a municipality  
30 pursuant to section 3 of P.L. , c. (C. ) (now before the  
31 Legislature as this bill).

32 <sup>1</sup>["Taxes" means all levies imposed on an ad valorem basis upon  
33 land or taxable real property.]<sup>1</sup>

34 3. (New section) A municipality <sup>1</sup>[of the second class  
35 according to the latest federal decennial census with] having<sup>1</sup>  
36 population of <sup>1</sup>[not]<sup>1</sup> more than <sup>1</sup>[150,000] 12,000<sup>1</sup> according to  
37 the most recent federal decennial census in which there is  
38 <sup>1</sup>[located an international airport and]<sup>1</sup> an area designated as an  
39 urban enterprise zone in which the receipts of certain sales are  
40 exempt to the extent of 50% of the tax imposed under the "Sales  
41 and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.), pursuant  
42 to section 21 of P.L.1983, c.303 (C.52:27H-80), may adopt an  
43 ordinance creating a landfill reclamation improvement district  
44 whenever the municipality determines that the district will  
45 promote job creation and economic development. A municipality  
46 may create, by separate ordinances, more than one district.

47 4. (New section) A municipality that has created a district  
48 pursuant to section 3 of P.L. , c. (C. )(now before the  
49 Legislature as this bill), may adopt an ordinance to levy, within  
50 the district, a franchise assessment not to exceed three percent.  
51 The rate of the franchise assessment shall be uniform throughout  
52 the district. Notwithstanding any other law to the contrary,  
53 <sup>1</sup>[ordinances so adopted shall not be subject to referenda, and  
54 shall not be altered or repealed in such manner as to affect any  
55 payments due under a redevelopment agreement] agreements for

1 the payment of a franchise assessment authorized by ordinance  
2 pursuant to this section shall remain in full force and effect  
3 regardless of whether such ordinance is altered or repealed<sup>1</sup>.

4 A copy of an ordinance adopted pursuant to this section shall  
5 be transmitted upon adoption to the State Treasurer. Every  
6 ordinance levying a franchise assessment pursuant to this section  
7 shall provide for reporting assessments due and for the collection  
8 thereof, and all franchise assessments pursuant to such an  
9 ordinance shall be remitted to the chief financial officer of the  
10 municipality. An ordinance levying a franchise assessment shall  
11 take effect only on the first day of any month in any year. For  
12 the purposes of the effective administration of the franchise  
13 assessment, the municipality shall have all of the rights and  
14 responsibilities established pursuant to sections 35 through 39 of  
15 P.L.1970, c.326 (C.40:48C-35 through 40:48C-39) and the  
16 franchise assessment shall be administered pursuant to those  
17 sections.

18 5. (New section) Notwithstanding any law to the contrary, all  
19 franchise assessments that are payable to a municipality from  
20 businesses located within a landfill reclamation improvement  
21 district and that are subject to a redevelopment agreement shall  
22 be appropriated by the municipality for payment as provided for  
23 in the redevelopment agreement. <sup>1</sup>Any portion of the aggregate  
24 franchise assessment collected annually by the municipality and  
25 retained pursuant to a redevelopment agreement which is not  
26 appropriated or expended by the municipality for purposes of the  
27 district shall be apportioned between the municipality and the  
28 county in which the landfill reclamation improvement district is  
29 located, such that 90 percent of the aggregate franchise  
30 assessment collected in that year shall be paid to the  
31 municipality and 10 percent shall be paid to the county for use in  
32 economic development, unless the county waives its interest or  
33 any part thereof.<sup>1</sup> Franchise assessments shall be made by the  
34 municipality until such time as the redeveloper has been paid in  
35 full, as defined in the redevelopment agreement, notwithstanding  
36 the fact that a municipality may no longer qualify to designate a  
37 district or that the district designation may have expired prior to  
38 the full satisfaction of the payments due the redeveloper under a  
39 redevelopment agreement.

40 6. (New section) <sup>1</sup>[Notwithstanding any provisions of the  
41 "Local Redevelopment and Housing Law," P.L.1992, c.79  
42 (C.40A:12A-1 et seq.), to the contrary, a] a. <sup>1</sup>A municipality  
43 that has created a landfill reclamation improvement district  
44 pursuant to section 3 of P.L. , c. (C. )(now before the  
45 Legislature as this bill), <sup>1</sup>[may incur indebtedness and borrow,  
46 appropriate and expend money and issue its negotiable bonds or  
47 other obligations pursuant to sections 29 through 37 of P.L.1992,  
48 c.79 (C.40A:12A-29 through 40A:12A-37), for the purpose of  
49 financing or refinancing the construction, reconstruction, repair,  
50 alteration, improvement, and development of any infrastructure  
51 or parking or transportation facilities or work that reduces,  
52 abates or prevents environmental pollution or other  
53 improvements that provide a public benefit within or to a district  
54 provided that:

55 a. Funding to repay or as security for such bonds or other

1 obligations is provided for by taxes pursuant to subsection b. of  
2 section 7 of P.L. . c. (C. ) (now before the Legislature as  
3 this bill);

4 b. Notwithstanding the provisions of subsection g. of section  
5 37 of P.L.1992, c.79 (C.40A:12A-37), the bonds and notes issued  
6 pursuant to this section shall not be direct obligations of the  
7 municipality issuing them and the municipality shall not be  
8 obligated to levy and collect a tax sufficient in an amount to pay  
9 the principal and interest on such bonds and notes when the same  
10 become due and payable: and

11 c. Such bonds or other obligations shall not be subject to the  
12 limits on maturity established pursuant to N.J.S.40A:2-26 or any  
13 similar law] is deemed to have adopted a redevelopment plan for  
14 the specifically delineated area of the district for the purposes of  
15 section 7 of the "Local Redevelopment and Housing Law"  
16 P.L.1992, c.79 (C.40A:12A-7) and may undertake a  
17 redevelopment project within the district. In addition to the  
18 other powers enumerated in this act, the municipality may incur  
19 indebtedness, borrow and expend money, and issue its negotiable  
20 bonds or other obligations pursuant to sections 29 through 37 of  
21 P.L.1992, c.79 (C.40A:12A-29 through 40A:12A-37) for the  
22 purpose of financing or refinancing the construction,  
23 reconstruction, repair, alteration, improvement, and development  
24 of any infrastructure or parking or transportation facilities or  
25 work that reduces, abates or prevents environmental pollution or  
26 other improvements that provide a public benefit within or to a  
27 landfill reclamation improvement district.

28 b. Notwithstanding the provisions of subsection g. of section  
29 37 of P.L.1992, c.79 (C.40A:12A-37), the bonds and notes issued  
30 pursuant to this section shall not be direct and general obligations  
31 of the municipality issuing them and the municipality shall not be  
32 obligated to levy and collect a tax sufficient in an amount to pay  
33 the principal and interest on such bonds and notes when the same  
34 become due and payable. Any bonds or other obligations issued or  
35 authorized pursuant to this section shall be deductible from the  
36 gross debt of the municipality or county on any debt statement  
37 filed in accordance with the "Local Bond Law" P.L.1960, c.169  
38 (C.40A:2-1 et seq.).

39 c. A municipality that has created a landfill reclamation  
40 improvement district may adopt an ordinance which provides for  
41 tax abatement within that district and for a payment in lieu of  
42 taxes. The municipality may enter into agreements of no more  
43 than 35 years' duration with the redeveloper or owners of all or  
44 any part of a district for tax abatement and payments in lieu of  
45 taxes in an amount agreed upon. The bonds or other obligations  
46 described in this section shall be special and limited obligations  
47 secured by the agreement for payment in lieu of taxes or other  
48 available sources.

49 d. In addition to the bonds or other obligations authorized to  
50 be issued by a municipality pursuant to this section, the New  
51 Jersey Economic Development Authority, created pursuant to  
52 section 4 of P.L.1974, c.80 (C.34:1B-4) or a county improvement  
53 authority may issue negotiable bonds or other obligations for the  
54 purpose of financing or refinancing the construction,  
55 reconstruction, repair, alteration, improvement, and development

1 of any infrastructure or parking or transportation facilities or  
2 work that reduces, abates or prevents environmental pollution or  
3 other improvements that provide a public benefit within or to a  
4 landfill reclamation improvement district. The agreement for  
5 payment in lieu of taxes provided for in this section or other  
6 source of revenues may be assigned directly to the New Jersey  
7 Economic Development Authority or county improvement  
8 authority or the trustee of bonds as payment or security for the  
9 bonds or other obligations. Notwithstanding any law to the  
10 contrary, the assignment of the agreement for payment in lieu of  
11 taxes may be an absolute assignment of all the municipality's  
12 right, title, and interest in such agreement or in the payment in  
13 lieu of taxes, and such agreement or payment shall not be  
14 included in the general funds of the municipality. The  
15 municipality shall be a "person" within the meaning of that term  
16 as defined in section 3 of P.L.1974 c.80 (C.34:1B-3); and the  
17 purpose described in this section shall be a "project" within the  
18 meaning of that term as defined in section 3 of P.L.1974, c.80  
19 (C.34:1B-3).

20 e. After the bonds are paid and no longer deemed to be  
21 outstanding, the payment in lieu of taxes shall be paid directly to  
22 the municipality and shall be included within its general funds.<sup>1</sup>

23 <sup>1</sup>[7. (New section) A municipality that has created a landfill  
24 reclamation improvement district pursuant to section 3 of P.L. .  
25 c. (C. )(now before the Legislature as this bill), may adopt an  
26 ordinance providing, and may enter into a redevelopment  
27 agreement covenanting with the redeveloper that, taxes, if any,  
28 levied upon taxable real property in a district after the effective  
29 date of the ordinance adopted pursuant to section 3 of P.L. ,  
30 c. (C. ), shall be divided as follows:

31 a. The portion of the taxes levied and assessed each year for  
32 municipal purposes upon the total of the assessed value of the  
33 taxable real property in the district as shown upon the assessment  
34 roll used in connection with the taxation of such property by the  
35 municipality, last assessed prior to the effective date of the  
36 ordinance adopted pursuant to section 3 of P.L. , c. (C. ),  
37 shall be allocated to, and when collected shall be paid into, the  
38 funds of the municipality for general municipal purposes; and

39 b. (1) The portion of taxes due and payable each year in excess  
40 of such amount described in subsection a. of this section shall be  
41 allocated to, and when collected shall be paid into, a special fund  
42 of the municipality to pay the principal and interest on  
43 indebtedness authorized pursuant to section 6 of P.L. , c.  
44 (C. )(now before the Legislature as this bill). All municipal  
45 taxes levied and collected upon the taxable real property in the  
46 district shall be paid into the funds of the municipality for  
47 general municipal purposes until the total assessed valuation of  
48 the taxable real property in a district exceeds the total assessed  
49 value for the taxable real property in that district as shown by  
50 the assessment roll used in connection with the taxation of such  
51 property by the municipality, last equalized prior to the effective  
52 date of the ordinance adopted pursuant to section 3 of P.L. ,  
53 c. (C. ). When the loans, advances and indebtedness, if any,  
54 and interest thereon, have been paid, all monies thereafter  
55 received from taxes upon the taxable real property in the landfill

1 reclamation improvement district shall be paid into the funds of  
 2 the municipality for general municipal purposes. The  
 3 indebtedness referred to in this subsection may be owed to or  
 4 obtained through the New Jersey Economic Development  
 5 Authority.

6 (2) Proceeds of monies borrowed by a municipality secured or  
 7 paid by the taxes described in this subsection may be disbursed in  
 8 whole or in part by the municipality in accordance with a  
 9 redevelopment agreement for the district for the purposes  
 10 allowed for indebtedness pursuant to section 6 of P.L. . c.  
 11 (C. ).

12 c. Notwithstanding any other law to the contrary, taxes  
 13 determined pursuant to subsection b. of this section may be  
 14 irrevocably pledged for the payment of the principal of and  
 15 interest on indebtedness incurred pursuant to section 6 of P.L. ,  
 16 c. (C. ), and ordinances providing for such taxes so adopted  
 17 shall not be subject to referenda, and shall not be altered or  
 18 repealed in such manner as to affect any payments due under a  
 19 redevelopment agreement.]<sup>1</sup>

20 <sup>1</sup>[8. (New section) If real property in a landfill reclamation  
 21 improvement district has been redeveloped and thereafter is  
 22 leased to any person, or if real property in any district is leased  
 23 to any person for redevelopment, the property shall be assessed  
 24 and taxed in the same manner as privately owned property, and  
 25 the lease or contract shall provide that the lessee shall pay taxes  
 26 upon the assessed value for the entire property and not merely  
 27 the assessed value of the lessee's leasehold interest.]<sup>1</sup>

28 <sup>1</sup>[9.] 7.<sup>1</sup> N.J.S.40A:4-39 is amended to read as follows:

29 40A:4-39. a. In the budget of any local unit, dedicated  
 30 revenues anticipated during the fiscal year from any dog tax, dog  
 31 license, solid fuel license, sinking fund for term bonds, bequest,  
 32 escheat, federal grant, motor vehicle fine dedicated to road  
 33 repairs, relocation costs deposited into a revolving relocation  
 34 assistance fund established pursuant to section 2 of P.L.1987,  
 35 c.98 (C.20:4-4.1a), <sup>1</sup>[receipts remitted by the State Treasurer  
 36 pursuant to section 21 of P.L.1983, c.303 (C.52:27H-80);]<sup>1</sup>  
 37 receipts from franchise assessments levied pursuant to section 4  
 38 of P.L. , c. (C. ) (now before the Legislature as this bill)]<sup>1</sup>;  
 39 receipts from taxes pursuant to subsection b. of section 7 of  
 40 P.L. , c. (C. )(now before the Legislature as this bill)]<sup>1</sup> and,  
 41 subject to the prior written consent of the director, other items  
 42 of like character when the revenue is not subject to reasonably  
 43 accurate estimate in advance, may be included in said budget by  
 44 annexing to said budget a statement in substantially the following  
 45 form:

46 "The dedicated revenues anticipated during the year ..... from  
 47 ..... (here insert one or more of the sources above, as the case  
 48 may be) are hereby anticipated as revenue and are hereby  
 49 appropriated for the purposes to which said revenue is dedicated  
 50 by statute or other legal requirement."

51 b. Dedicated revenues included in accordance with this section  
 52 shall be available for expenditure by the local unit as and when  
 53 received in cash during the fiscal year<sup>1</sup>[subject to the  
 54 requirements of sections 5 and 7 of P.L. , c. (C. ) (now  
 55 before the Legislature as this bill)]<sup>1</sup>. The inclusion of such

1 dedicated revenues shall be subject to the approval of the  
2 director, who may require such explanatory statements or data in  
3 connection therewith as [he] the director deems advisable for the  
4 information and protection of the public.

5 (cf: P.L.1987, c.98, s.1)

6 <sup>1</sup>[10. Section 21 of P.L.1983, c.303 (C.52:27H-80) is amended  
7 to read as follows:

8 21. Receipts of retail sales, except retail sales of motor  
9 vehicles, of alcoholic beverages as defined in the "Alcoholic  
10 Beverage Tax Law," R.S.54:41-1 et seq., cigarettes as defined in  
11 the "Cigarette Tax Act," P.L.1948, c.65 (C.54:40A-1 et seq.) and  
12 of manufacturing machinery, equipment or apparatus, made by a  
13 certified vendor from a place of business owned or leased and  
14 regularly operated by the vendor for the purpose of making retail  
15 sales, and located in a designated enterprise zone established  
16 pursuant to the "New Jersey Urban Enterprise Zones Act,"  
17 P.L.1983, c.303 (C.52:27H-60 et al.), are exempt to the extent of  
18 50% of the tax imposed under the "Sales and Use Tax Act,"  
19 P.L.1966, c.30 (C.54:32B-1 et seq.).

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

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

48 Notwithstanding any other provisions of law to the contrary,  
49 after first depositing 10 percent of the gross amount of all  
50 revenues received from the taxation of retail sales made by  
51 certified vendors from business locations in designated enterprise  
52 zones to which this exemption shall apply into the account  
53 created in the name of the authority in the enterprise zone  
54 assistance fund pursuant to section 29 of P.L.1983, c.303  
55 (C.52:27H-88), the remaining 90 percent shall be deposited



1 immediately upon collection by the Department of the Treasury,  
2 as follows:

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

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

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

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

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

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

40 Notwithstanding the provisions of this section concerning the  
41 disposition of revenues received from the taxation of retail sales  
42 made by certified vendors from business locations in designated  
43 enterprise zones to which the exemption provided by this section  
44 applies, all such revenues collected on and after the effective  
45 date of a franchise assessment adopted pursuant to section 4 of  
46 P.L. , c. (C. )(now pending before the Legislature as this  
47 bill), by the director from vendors within a landfill reclamation  
48 improvement district created pursuant to section 3 of P.L. ,  
49 c. (C. )(now pending before the Legislature as this bill), shall  
50 be remitted to the municipality in which the district is located.

51 (cf: P.L.1993, c.367, c.6)]<sup>1</sup>

52 <sup>1</sup>[11.] 8.<sup>1</sup> This act shall take effect immediately but sections 1  
53 through <sup>1</sup>[10] 7<sup>1</sup> shall remain inoperative until July 1, 1995.

SENATE, No. 1760

STATE OF NEW JERSEY

INTRODUCED JANUARY 19, 1995

By Senators DiFRANCESCO and LESNIAK

1 AN ACT concerning gross receipts franchise assessments on  
2 certain businesses for land reclamation by distressed  
3 municipalities, supplementing various parts of the statutory  
4 law and amending N.J.S.40A:4-39.

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

8 1. (New section) The Legislature finds and declares that it is a  
9 public purpose and compelling State interest to facilitate the  
10 redevelopment of land reclamation sites within distressed  
11 municipalities that are attempting economic growth, through the  
12 designation of land reclamation special improvement districts to  
13 promote job creation and economic development. To aid in  
14 accomplishing this purpose, it is appropriate to enable a  
15 distressed municipality to promote the redevelopment of a land  
16 reclamation special improvement district through the enactment  
17 of ordinances permitting gross receipts or gross franchise  
18 assessments, or both, on businesses within the district, not to  
19 exceed three percent of gross receipts from sales of goods within  
20 the district or from gross rentals assessed by a developer or  
21 owner to tenants within the district, with the proceeds of the  
22 assessment to be used for land reclamation projects and  
23 infrastructure improvements made by the municipality within the  
24 district or to reimburse developers for the costs thereof. It is  
25 also appropriate to enable a municipality to assign its rights to  
26 the projected revenues from gross receipts franchise assessments  
27 to one or more developers, as may be provided in a development  
28 agreement with the municipality, in order to finance the costs of  
29 the improvements within the district.

30 2. (New section) For the purposes of this act:

31 "Development agreement" means a contract between a  
32 municipality and a developer of a project in a land reclamation  
33 special improvement district, which project plan shall be in  
34 conformity with municipal objectives as to land uses, commercial  
35 and retail development, public transportation, utilities,  
36 recreational and municipal facilities, and other public  
37 improvements, consistent with permitted land uses and building  
38 requirements in that district.

39 "Distressed municipality" means a municipality which has  
40 delineated an area or areas in need of redevelopment pursuant to  
41 section 5 of P.L.1992, c.79 (C.40A:12A-5).

42 "District" means a tract or tracts of land aggregating at least  
43 50 contiguous acres that has been designated a land reclamation  
44 special improvement district by a municipality pursuant to

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 section 3 of P.L. , c. (C. ) (now pending before the  
2 Legislature as this bill).

3 "Gross receipts franchise assessment" means an assessment on  
4 all receipts from sales of goods (less exemption for sales tax  
5 revenues collected) on all businesses in a district.

6 "Gross rental franchise assessment" means an assessment on  
7 all rental receipts from the rental of property in a district.

8 3. (New section) A distressed municipality is authorized to  
9 adopt an ordinance creating a land reclamation special  
10 improvement district when it has determined that the district  
11 will promote job creation and economic development. A  
12 distressed municipality may create, by separate ordinances, more  
13 than one district.

14 4. (New section) A distressed municipality which has created  
15 a district is authorized to adopt ordinances to levy, within the  
16 district, a franchise assessment not to exceed three percent on  
17 businesses operating within the district, based upon the gross  
18 receipts from sales of goods (less sales tax revenues collected)  
19 within the district of each business, or upon rental receipts from  
20 commercial property within the district, or both.

21 5. (New section) Notwithstanding any law to the contrary, all  
22 assessments payable to a distressed municipality from projects  
23 within a district shall be appropriated by the municipality for  
24 payment as provided for in the development agreement.  
25 Assessments shall be made by the municipality until such time as  
26 the developer has been paid in full, as defined in the development  
27 agreement, notwithstanding the fact that a municipality may no  
28 longer be a distressed municipality or that the district  
29 designation may have expired prior to the full satisfaction of the  
30 obligation due the developer.

31 6. N.J.S.40A:4-39 is amended to read as follows:

32 a. In the budget of any local unit, dedicated revenues  
33 anticipated during the fiscal year from any dog tax, dog license,  
34 solid fuel license, sinking fund for term bonds, bequest, escheat,  
35 federal grant, motor vehicle fine dedicated to road repairs,  
36 relocation costs deposited into a revolving relocation assistance  
37 fund established pursuant to section 2 of P.L.1987, c.98  
38 (C.20:4-4.1a), receipts from sales tax and surcharge revenues  
39 remitted by the State Treasurer pursuant to subsection e. of  
40 section 21 of P.L.1983, c.303 (C.52:27H-80) and section 4 of  
41 P.L. , c. (C. ) (now pending before the Legislature as this  
42 bill), service charges payable to a municipality under section 12  
43 of P.L.1991, c.431 (C.40A:20-12) from projects within a district  
44 created pursuant to section 3 of P.L. , c. (C. ) (now pending  
45 before the Legislature as this bill) and, subject to the prior  
46 written consent of the director, other items of like character  
47 when the revenue is not subject to reasonably accurate estimate  
48 in advance, may be included in said budget by annexing to said  
49 budget a statement in substantially the following form:

50 "The dedicated revenues anticipated during the year ..... from  
51 [..... (here insert one or more of the sources above, as the case  
52 may be)] assessments are hereby anticipated as revenue and are  
53 hereby appropriated for the purposes to which said revenue is  
54 dedicated by statute or other legal requirement."



ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR

SENATE COMMITTEE SUBSTITUTE FOR

**SENATE, No. 1760**

**STATE OF NEW JERSEY**

DATED: APRIL 11, 1995

The Assembly Appropriations Committee reports favorably Senate Bill No. 1760 SCS/SCS.

Senate Bill No. 1760 SCS/SCS permits municipalities with unusual economic development opportunities to establish landfill reclamation improvement districts and provides those municipalities with economic tools for the reclamation and redevelopment of those districts.

Environmentally sound landfill reclamation is essentially a "capping" process, and because a capped landfill is essentially a large parking lot its development potential is limited. The extensive closed landfill areas in some of the State's urban areas, the prior commercial retail development experience and the excellent transportation potential of those areas offers a specific development opportunity. This bill allows a municipality of the second class with a population of not more than 150,000 in which there is located an international airport to designate as a landfill reclamation improvement district an area of not less than 150 acres, of which at least 100 acres were formerly used as a landfill, in an urban enterprise zone with a reduced sales tax rate. Currently, the City of Elizabeth meets the criteria set forth in this bill for the establishment of a landfill reclamation improvement district.

Funding for the projects created in the district and for the benefit of the district is financed by new revenues created by the development of the landfill reclamation district.

First, the bill allows a municipality to use certain portions of the bonded indebtedness provisions of the "Local Redevelopment and Housing Law" (C.40A:12A-1 et seq.) to issue bonds to finance the construction and development of any infrastructure or parking or transportation facilities or other improvements that provide a benefit to the district. These bonds are to be financed through the property tax increases that will result from the increased assessments on the improvements in the district. This financing method does not affect the existing tax revenues that fund the existing expenditures of the municipal budget. The bill allows the new revenues to be pledged to the repayment of the bonds.

Second, the bill allows a municipality to impose a franchise assessment on the businesses that will locate in the landfill reclamation improvement district. Again, as there are essentially no businesses currently operating in a municipal landfill, this is an assessment on the new businesses that desire, and are depending on, the redevelopment of the district. These new commercial tenants of the district will be financing their opportunities in the district by

paying a franchise assessment of not more than 3 percent of the price (not counting sales tax or separately stated transportation charges) of tangible property sold in a district, or rental receipts from the rental of commercial property in a district, or both. The franchise assessment allows the municipality to act as a conduit through which the commercial tenants of a redevelopment project may finance the district's (and their own) improvements. The bill allows the assessment proceeds to be committed to land reclamation projects and infrastructure improvements made directly by the municipality within the district or indirectly through redevelopers.

Finally, the bill redirects to the municipality the revenues from an urban enterprise zone's reduced rate sales taxes collected in the landfill improvement district. The new revenues from the new vendors operating in the redeveloped landfill reclamation development district would ordinarily be shared by the State and the urban enterprise zone authorities. The bill instead directs these revenues back to the municipality to supplement the real property taxes and the franchise assessments. The revenues from urban enterprise zone reduced rate sales taxes collected from the current vendors outside of the district remain unaffected and would continue to be shared by the State and the enterprise zone authorities.

#### FISCAL IMPACT

This bill does not have an impact on State expenditures or revenues.

SENATE NATURAL RESOURCES, TRADE  
AND ECONOMIC DEVELOPMENT COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR

**SENATE, No. 1760**

**STATE OF NEW JERSEY**

DATED: FEBRUARY 27, 1995

The Senate Natural Resources, Trade and Economic Development Committee favorably reports a Senate Committee Substitute for Senate Bill No. 1760.

This committee substitute would permit the creation of land reclamation special improvement districts, comprised of 50 or more contiguous acres, by "distressed" municipalities in order to aid the economic development of such municipalities. The substitute defines a distressed municipality as a municipality which has delineated an area or areas in need of redevelopment pursuant to section 5 of the "Local Redevelopment and Housing Law," P.L.1992, c.79 (C.40A:12A-1 et seq.). Within a land reclamation special improvement district a municipality could impose a gross receipts franchise assessment of 3% or less on all receipts from sales of goods (less exemption for sales tax revenues collected) of businesses operating within a district, or on rental receipts from commercial property within a district, or both. The assessments collected by a distressed municipality would be used to pay for development projects within a district, in accordance with development agreements between the municipality and developers of projects within the district.

This substitute would also provide a tax increment financing mechanism for infrastructure, transportation or parking facilities; for work and facilities that reduce, abate or prevent environmental pollution; or for land reclamation or other improvements that provide a public benefit within that part of a redevelopment area that has been designated a land reclamation special improvement district. Specifically, taxes levied on property within a land reclamation special improvement district would be divided into two parts. One part would be that amount of taxes within a redevelopment area based upon the assessment of property value prior to the adoption of the ordinance approving the redevelopment plan. The second part would be the taxes attributable to the increase in assessed valuation following approval of the redevelopment plan. The first part would be paid to the municipality where the redevelopment is located. The second part would be used to secure borrowings by the municipality for the infrastructure or transportation facilities, or work and facilities that reduce, abate or prevent environmental pollution, or for land reclamation within the redevelopment area. Municipal borrowings financed pursuant to this substitute could be from the New Jersey Economic Development Authority.

The substitute repeals the existing tax increment financing law.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR

SENATE COMMITTEE SUBSTITUTE FOR

**SENATE, No. 1760**

**STATE OF NEW JERSEY**

DATED: MARCH 13, 1995

The Senate Budget and Appropriations Committee reports favorably a Senate Committee Substitute for Senate Bill No. 1760 SCS.

This Senate Committee Substitute for Senate Bill No. 1760 SCS permits municipalities with unusual economic development opportunities to establish landfill reclamation improvement districts and provides those municipalities with economic tools for the reclamation and redevelopment of those districts.

Environmentally sound landfill reclamation is essentially a "capping" process, and because a capped landfill is essentially a large parking lot its development potential is limited. The extensive closed landfill areas in some of the State's urban areas, the prior commercial retail development experience and the excellent transportation potential of those areas offers a specific development opportunity. This substitute allows a municipality of the second class with a population of not more than 150,000 in which there is located an international airport to designate as a landfill reclamation improvement district an area of not less than 150 acres, of which at least 100 acres were formerly used as a landfill, in an urban enterprise zone with a reduced sales tax rate. Currently, the City of Elizabeth meets the criteria set forth in this bill for the establishment of a landfill reclamation improvement district.

Funding for the projects created in the district and for the benefit of the district is financed by new revenues created by the development of the landfill reclamation district.

First, the substitute allows a municipality to use certain portions of the bonded indebtedness provisions of the "Local Redevelopment and Housing Law" (C.40A:12A-1 et seq.) to issue bonds to finance the construction and development of any infrastructure or parking or transportation facilities or other improvements that provide a benefit to the district. These bonds are to be financed through the property tax increases that will result from the increased assessments on the improvements in the district. This financing method does not affect the existing tax revenues that fund the existing expenditures of the municipal budget. The substitute allows the new revenues to be pledged to the repayment of the bonds.

Second, the substitute allows a municipality to impose a franchise assessment on the businesses that will locate in the landfill reclamation improvement district. Again, as there are essentially no businesses currently operating in a municipal landfill, this is an assessment on the new businesses that desire, and are depending on, the redevelopment of the district. These new commercial tenants of the district will be financing their opportunities in the district by paying a franchise assessment of not more than 3 percent of the price (not counting sales tax or



separately stated transportation charges) of tangible property sold in a district, or rental receipts from the rental of commercial property in a district, or both. The franchise assessment allows the municipality to act as a conduit through which the commercial tenants of a redevelopment project may finance the district's (and their own) improvements. The substitute allows the assessment proceeds to be committed to land reclamation projects and infrastructure improvements made directly by the municipality within the district or indirectly through redevelopers.

Finally, the substitute redirects to the municipality the revenues from an urban enterprise zone's reduced rate sales taxes collected in the landfill improvement district. The new revenues from the new vendors operating in the redeveloped landfill reclamation development district would ordinarily be shared by the State and the urban enterprise zone authorities. The substitute instead directs these revenues back to the municipality to supplement the real property taxes and the franchise assessments. The revenues from urban enterprise zone reduced rate sales taxes collected from the current vendors outside of the district remain unaffected and would continue to be shared by the State and the enterprise zone authorities.

#### FISCAL IMPACT

This bill does not have an impact on State expenditures or revenues.

SENATE COMMITTEE SUBSTITUTE FOR  
SENATE COMMITTEE SUBSTITUTE FOR  
SENATE BILL NO. 1760

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning the Senate Committee Substitute for Senate Committee Substitute for Senate Bill No. 1760 with my recommendations for reconsideration.

A. Summary of Bill

The Senate Committee Substitute for Senate Committee Substitute for Senate Bill No. 1760 authorizes certain municipalities to establish landfill reclamation improvement districts ("districts") and provides those municipalities with financing mechanisms for the reclamation and redevelopment of those districts. First, the bill allows a municipality to impose a franchise assessment of 3 percent or less on businesses that locate in a district. Second, the bill allows a municipality to issue tax increment bonds to finance the construction and development of certain infrastructure and other improvements, which are to be financed through expected property tax increases resulting from increased assessments on the improvements in the district. The bill also provides that revenues from the taxation of retail sales made by certified vendors from business locations in designated urban enterprise zones be remitted to the municipality in which the district is located.

B. Recommended Action

The stated purpose of this bill is to facilitate the redevelopment of landfill reclamation sites within municipalities thereby promoting job creation and economic development. I fully support the objectives of this bill and commend the Legislature and the bill's sponsors for their efforts.

I have been advised, however, that tax increment bonds are very sensitive to economic conditions and other extrinsic factors which may adversely affect bond security. Because the types of redevelopment projects to be undertaken pursuant to this bill can be accomplished using existing bond financing mechanisms, I recommend that the TIF provisions of the bill be deleted. I further recommend specifically authorizing a municipality, the Economic Development Authority, or county improvement authority to issue bonds or other obligations to finance certain improvements within landfill reclamation improvement districts which may be secured by agreements for payment in lieu of taxes or other available sources. Certain other amendments are recommended to facilitate this method of bond financing.

In recognition of the county's contribution to landfill reclamation redevelopment efforts, I am recommending that any portion of the annual franchise assessment collected by a municipality and retained pursuant to a redevelopment agreement and not expended for costs associated with the district, be apportioned in a ratio of 90 percent to the municipality and 10 percent to the county in which the district is located. Any moneys received by the county would have to be used for economic development purposes.

I also recommend deleting the provision in the bill which would amend the Urban Enterprise Zone statute to direct revenues received from the taxation of retail sales made by certified vendors from business locations in designated enterprise zones to the municipality in which the landfill reclamation district is located. This amendment would seriously compromise the existing statutory

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procedures governing the distribution of moneys collected in Urban Enterprise Zones, and is not necessary for purposes of this bill.

I further recommend modifying the bill's application criteria to avoid the possibility that the bill could be challenged as unconstitutional special legislation.

Additionally, certain technical and clarifying amendments to the bill are recommended.

Therefore, I herewith return the Senate Committee Substitute for Senate Committee Substitute for Senate Bill No. 1760 and recommend that it be amended as follows:

- Page 1, Title, Line 3: Delete "and P.L.1983, c.303"
- Page 1, Section 1, Line 26: After "of" insert "revenue"
- Page 1, Section 1, Lines 27-28: After "and" delete "to provide a tax increment financing mechanism for funding those bonds. It is also appropriate"
- Page 1, Section 2, Line 35: Delete "8" and insert "6"
- Page 2, Section 2, Line 18: Delete "city of the second class" and insert "municipality having a population of more than 12,000"
- Page 2, Section 2, Lines 27-28: Delete in entirety.
- Page 2, Section 3, Lines 29-30: Delete "of the second class according to the latest federal decennial census with"; insert "having" and delete "not"
- Page 2, Section 3, Line 31: Delete "150,000" and insert "12,000"
- Page 2, Section 3, Line 32: Delete "located an international airport and"
- Page 2, Section 4, Lines 48-50: Delete "ordinances so adopted shall not be subject to referenda, and shall not be

altered or repealed in such manner as to affect any payments due under a redevelopment agreement" and insert "agreements for the payment of a franchise assessment authorized by ordinance pursuant to this section shall remain in full force and effect regardless of whether such ordinance is altered or repealed"

Page 3, Section 5, Line 16:

After "agreement." insert "Any portion of the aggregate franchise assessment collected annually by the municipality and retained pursuant to a redevelopment agreement which is not appropriated or expended by the municipality for purposes of the district, shall be apportioned between the municipality and the county in which the landfill reclamation improvement district is located, such that 90 percent of the aggregate franchise assessment collected in that year shall be paid to the municipality and 10 percent shall be paid to the county for use in economic development, unless the county waives its interest or any part thereof."

Page 3, Section 6, Lines 23-50:

Delete in entirety and insert new section as follows:

"6. (New section) a. A municipality that has created a landfill reclamation improvement district pursuant to section 3 of P.L. , c. (C. ) (now before the Legislature as this bill), is deemed to have adopted a redevelopment plan for the specifically delineated area of the district for the purposes of section 7 of the "Local Redevelopment and

Housing Law" P.L.1992, c.79 (C.40A:12A-7) and may undertake a redevelopment project within the district. In addition to the other powers enumerated in this act, the municipality may incur indebtedness, borrow and expend money, and issue its negotiable bonds or other obligations pursuant to sections 29 through 37 of P.L.1992, c.79 (C.40A:12A-29 through 40A:12A-37) for the purpose of financing or refinancing the construction, reconstruction, repair, alteration, improvement, and development of any infrastructure or parking or transportation facilities or work that reduces, abates or prevents environmental pollution or other improvements that provide a public benefit within or to a landfill reclamation improvement district.

b. Notwithstanding the provisions of subsection g. of section 37 of P.L.1992, c.79 (C.40A:12A-37), the bonds and notes issued pursuant to this section shall not be direct and general obligations of the municipality issuing them and the municipality shall not be obligated to levy and collect a tax sufficient in an amount to pay the principal and interest on such bonds and notes when the same become due and payable. Any bonds or other obligations issued or authorized pursuant to this section shall be deductible from the gross debt of the municipality or county on any debt statement filed in accordance with the "Local Bond Law" P.L.1960, c.169 (C.40A:2-1 et seq.).

c. A municipality that has created a landfill reclamation improvement district may adopt an ordinance which provides for tax abatement within that district and for a payment in lieu of taxes. The municipality may enter into agreements of no more than thirty-five years' duration with the redeveloper or owners of all or any part of a district for tax abatement and payments in lieu of taxes in an amount agreed upon. The bonds or other obligations described in this section shall be special and limited obligations secured by the agreement for payment in lieu of taxes or other available sources.

d. In addition to the bonds or other obligations authorized to be issued by a municipality pursuant to this section, the New Jersey Economic Development Authority, created pursuant to section 4 of P.L.1974, c.80 (C.34:1B-4) or a county improvement authority may issue negotiable bonds or other obligations for the purpose of financing or refinancing the construction, reconstruction, repair, alteration, improvement, and development of any infrastructure or parking or transportation facilities or work that reduces, abates or prevents environmental pollution or other improvements that provide a public benefit within or to a landfill reclamation improvement district. The agreement for payment in lieu of taxes provided for in this section or other source of

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revenues may be assigned directly to the New Jersey Economic Development Authority or county improvement authority or the trustee of bonds as payment or security for the bonds or other obligations.

Notwithstanding any law to the contrary, the assignment of the agreement for payment in lieu of taxes may be an absolute assignment of all the municipality's right, title, and interest in such agreement or in the payment in lieu of taxes, and such agreement or payment shall not be included in the general funds of the municipality. The municipality shall be a "person" within the meaning of that term as defined in section 3 of P.L.1974, c.80 (C.34:1B-3); and the purpose described in this section shall be a "project" within the meaning of that term as defined in section 3 of P.L.1974, c.80 (C.34:1B-3).

e. After the bonds are paid and no longer deemed to be outstanding, the payment in lieu of taxes shall be paid directly to the municipality and shall be included within its general funds."

Pages 3-4, Section 7:

Delete in entirety.

Pages 4-5, Section 8:

Delete in entirety.

Page 5, Section 9, Line 3:

Delete "9." and insert "7."

Page 5, Section 9, Lines 10-11:

Delete "receipts remitted by the State Treasurer pursuant to section 21 of P.L. 1983, c.303 (C.52:27H-80);"

Page 5, Section 9, Lines 13-15:

Delete "; receipts from taxes pursuant to subsection b. of section 7 of P.L. , c. (C. ) (now before the Legislature as this bill)"



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Page 5, Section 9, Lines 28-30: Delete ", subject to the requirements of sections 5 and 7 of P.L. , c. (C. ) (now before the Legislature as this bill)"

Pages 5-7 Section 10: Delete in entirety.

Page 7, Section 11, Line 28: Delete "11." and insert "8."

Page 7, Section 11, Line 29: Delete "10" and insert "7"

Respectfully,

/s/ Christine Todd Whitman

GOVERNOR

[seal]

Attest:

/s/ Margaret M. Foti

Chief Counsel to the Governor



# OFFICE OF THE GOVERNOR NEWS RELEASE

**CN-001**  
**Contact:**

CARL GOLDEN  
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**TRENTON, N.J. 08625**

**Release:** THURSDAY,  
JULY 6, 1995

Gov. Christie Whitman signed legislation today authorizing certain municipalities to establish landfill reclamation improvement districts to promote economic development on previously unusable land.

The bill, signed into law at a landfill in Elizabeth that will be the site of the Elizabeth Metro Mall, also provides municipalities with financing mechanisms for the reclamation and redevelopment of those districts.

"We need to use every tool at our disposal to help strengthen and revitalize our urban centers," said Gov. Whitman. "This law allows us to achieve both environmental and economic goals that benefit everyone."

The law allows a municipality to impose a franchise assessment of up to 3 percent on businesses that will locate in the improvement district. It also authorizes a method of bond financing for landfill redevelopment improvement districts. The bonds, issued by a municipality, the Economic Development Authority, or a county improvement authority, may be secured by payments in lieu of taxes.

In recognition of a county's anticipated contribution to landfill reclamation development efforts, the law provides that any portion of the annual franchise assessment collected by a municipality and retained pursuant to a redevelopment agreement and not expended for costs associated with the district, be apportioned in a ratio of 90 percent to the municipality and 10 percent to the county. Any money received by the county would have to be used for economic development purposes.

Sponsors of this bill, S-1760, are Senate President Donald DiFrancesco (R-Union) and Raymond Lesniak (D-Union) and Assemblymen Joseph Suliga (D-Union) and Alan Augustine (R-Union).