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LAW

[First Reprint]

**SENATE, No. 1675**

**STATE OF NEW JERSEY**

**213th LEGISLATURE**

INTRODUCED MAY 5, 2008

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**Senators Cunningham, Scutari, Girgenti, Turner, Vitale, Van Drew, Rice,  
Gill, Redd, B.Smith, Singer, Ruiz, Stack and Assemblywoman Quijano**

**SYNOPSIS**

Allows UEZ municipalities to include certain homeland security expenses as eligible for funding from enterprise zone assistance fund.

**CURRENT VERSION OF TEXT**

As reported by the Senate Economic Growth Committee on May 19, 2008, with amendments.

**(Sponsorship Updated As Of: 3/17/2009)**

S1675 [1R] SACCO, LESNIAK

2

1 AN ACT concerning funding of urban enterprise zones and  
2 amending P.L.1983, c.303.

3

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

6

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

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

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

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

**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 May 19, 2008.

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

7 b. The enterprise zone assistance fund shall be used for the  
8 purpose of assisting qualifying municipalities in which enterprise  
9 zones are designated in undertaking public improvements,  
10 economic development projects and in upgrading eligible municipal  
11 services in designated enterprise zones.

12 c. The governing body of a qualifying municipality in which an  
13 enterprise zone is designated and the zone development corporation  
14 created or designated by the municipality for that enterprise zone  
15 may, by resolution jointly adopted after public hearing, propose to  
16 undertake a project for the public improvement of the enterprise  
17 zone or to increase eligible municipal services in the enterprise  
18 zone, and to fund that project or increase in eligible municipal  
19 services from moneys deposited in the enterprise zone assistance  
20 fund and credited to the account maintained by the State Treasurer  
21 for the enterprise zone.

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

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

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

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

32 (4) A statement of the time necessary to complete the project, or  
33 of the time during which the increased municipal services are to be  
34 maintained;

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

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

44 As used in this section, "project" means an activity funded by the  
45 zone assistance fund through the qualified municipality and  
46 implemented by the zone development corporation, including the  
47 purchasing, leasing, condemning, or otherwise acquiring of land or  
48 other property, or an interest therein, in the enterprise zone or as

1 necessary for a right-of-way or other easement to or from the  
2 enterprise zone; the relocating and moving of persons or businesses  
3 displaced by the acquisition of land or property; the rehabilitation  
4 and redevelopment of land or property, including demolition,  
5 clearance, removal, relocation, renovation, alteration, construction,  
6 reconstruction, installation or repair of a land or a building, street,  
7 highway, alley, utility, service or other structure or improvement  
8 which will lead to increased economic activity within the zone; the  
9 purchase and installation of closed circuit television surveillance  
10 systems or other related equipment and those expenses associated  
11 with homeland security and domestic preparedness; the acquisition,  
12 construction, reconstruction, rehabilitation, or installation of public  
13 facilities and improvements, except buildings and facilities for the  
14 general conduct of government and schools; the establishment of  
15 revolving loan or grant programs for qualified businesses in the  
16 zone to encourage private investment and job creation, matching  
17 grant programs for the establishment or operation of pedestrian  
18 malls, special improvement districts and tax increment districts, or  
19 other appropriate entity; marketing, advertising and special event  
20 activities that will lead to increased economic activity or encourage  
21 private investment and job creation in the zone, but not including  
22 the expenditures therefor which are required to be reported pursuant  
23 to "The New Jersey Campaign Contributions and Expenditures  
24 Reporting Act," P.L.1973, c.83 (C.19:44A-1 et seq.) and the costs  
25 associated therewith including the costs of an administrative  
26 appraisal, economic and environmental analyses, environmental  
27 remediation, engineering, planning, design, architectural, surveying  
28 or other professional or managerial services.

29 As used in this section, "eligible municipal services" means the  
30 hiring of additional policemen or firemen assigned duties in the  
31 enterprise zone, or the purchasing or leasing of additional police or  
32 fire vehicles, equipment or apparatus to be used for the provision of  
33 augmented or upgraded public safety services in the enterprise zone  
34 and its immediate vicinities.

35 d. Upon adoption by the governing body of the qualifying  
36 municipality and by the zone development corporation, the proposal  
37 shall be sent to the authority for its evaluation and approval. The  
38 authority shall approve the proposal if it shall find:

39 (1) In the case of a project, that the proposed project furthers the  
40 policy and intentions of the zone development plan approved by the  
41 authority, and that the estimated annual payments for the project  
42 from the enterprise zone account to which the proposal pertains are  
43 not likely to result in a deficit in that account;

44 (2) In the case of an increase in eligible municipal services, that  
45 the proposal furthers the policy and intentions of the zone  
46 development plan approved by the authority; that the qualifying  
47 municipality has furnished satisfactory assurances that the  
48 additional policemen or firemen to be hired, or the additional

1 vehicles, equipment or apparatus'[, excluding closed circuit  
2 television surveillance systems or other related equipment and those  
3 expenses associated with homeland security and domestic  
4 preparedness,]<sup>1</sup> to be purchased or leased, shall be used to augment  
5 or upgrade public safety in the enterprise zone, and shall not be  
6 used in other areas of the municipality; that the qualifying  
7 municipality shall annually appropriate for the increased eligible  
8 municipal services an amount equal to 20% of the amount of annual  
9 payments for the eligible municipal services from the enterprise  
10 zone account and shall not request for the increased eligible  
11 municipal services an amount equal to more than 35% of the  
12 amount of annual payments into the enterprise zone account, unless  
13 the municipality and the authority have entered into an agreement  
14 or agreements to the contrary prior to July 1, 1992; and that the  
15 estimated annual payments for the eligible municipal services from  
16 the enterprise zone account to which the proposal pertains are not  
17 likely to result in a deficit in that account.

18 e. If the authority shall approve the proposal, it shall annually,  
19 upon its receipt of a written statement from the governing body of  
20 the qualifying municipality and the zone development corporation,  
21 certify to the State Treasurer the amount to be paid in that year from  
22 the enterprise zone account in the enterprise zone assistance fund  
23 with respect to each project or increase in eligible municipal  
24 services approved. The authority may at any time revoke its  
25 approval of a project or an increase in eligible municipal services if  
26 it finds that the annual payments made from the enterprise zone  
27 assistance fund are not being used as required by this section.

28 f. Upon certification by the authority of the annual amount to  
29 be paid to a qualifying zone with respect to any project or increase  
30 in eligible municipal services, the State Treasurer shall pay in each  
31 year to the qualifying municipality from the amounts deposited in  
32 the enterprise zone assistance fund the amount so certified, within  
33 the limits of the amounts credited to the enterprise zone account of  
34 the qualifying municipality.

35 g. An amount not to exceed one-third of the amount deposited  
36 in the account created in the name of the authority in the enterprise  
37 zone assistance fund shall be used by the authority for the  
38 coordination and administration of the program throughout the  
39 State, including but not limited to costs for personnel, operating  
40 expenses and marketing. The balance of the remaining amount  
41 shall be distributed to qualifying municipalities in proportion to  
42 each municipality's contribution to the enterprise zone assistance  
43 fund for the coordination and administration of the program within  
44 the municipality, including but not limited to costs for personnel,  
45 operating expenses and marketing.

46 (cf: P.L.2006, c.34, s.4)

47

48 2. This act shall take effect immediately.

ASSEMBLY COMMERCE AND ECONOMIC DEVELOPMENT  
COMMITTEE

STATEMENT TO

[First Reprint]  
**SENATE, No. 1675**

**STATE OF NEW JERSEY**

DATED: SEPTEMBER 15, 2008

The Assembly Commerce and Economic Development Committee reports favorably Senate Bill No. 1675 (1R).

This bill encourages urban enterprise zone eligible municipalities to provide closed circuit television surveillance systems, or other equipment and expenses related to homeland security and domestic preparedness, by including the purchase and installation of such equipment and the funding of such expenses as a project that would be eligible for funding assistance from the enterprise zone assistance fund established by section 29 of P.L.1983, c.303 (C.52:27H-88).



SENATE ECONOMIC GROWTH COMMITTEE

STATEMENT TO

**SENATE, No. 1675**

with committee amendments

**STATE OF NEW JERSEY**

DATED: MAY 19, 2008

The Senate Economic Growth Committee reports favorably Senate Bill No. 1675 with committee amendments.

As amended, this bill encourages urban enterprise zone eligible municipalities to provide closed circuit television surveillance systems or other equipment and expenses related to homeland security and domestic preparedness by including the purchase and installation of such equipment and the funding of such expenses as a project that would be eligible for funding assistance from the enterprise zone assistance fund established by section 29 of P.L.1983, c.303 (C.52:27H-88).

The committee amended the bill to remove a provision directed at excluding the cost of purchasing or leasing such equipment from the existing 35 percent municipal service cap and the requirement of a 20 percent match in order for such purchases to be deemed an eligible municipal purchase. The bill includes these surveillance systems or other equipment and expenses within the category of a "project," to which the municipal service cap and match requirement does not apply.

1 SPONSOR'S STATEMENT

2

3 This bill encourages urban enterprise zone eligible municipalities  
4 to provide closed circuit television surveillance systems or other  
5 equipment and expenses related to homeland security and domestic  
6 preparedness by: 1) including the purchase and installation of such  
7 equipment and the funding of such expenses as a project that would  
8 be eligible for funding assistance from the urban enterprise zone  
9 assistance fund; and 2) excluding the cost of purchasing or leasing  
10 such equipment from the existing 35 percent municipal service cap  
11 and the requirement of a 20 percent match in order for such  
12 purchases to be deemed an eligible municipal purchase and  
13 therefore allow such eligible municipality to receive funding from  
14 the enterprise zone assistance fund.

ASSEMBLY COMMERCE AND ECONOMIC DEVELOPMENT  
COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 3121**

**STATE OF NEW JERSEY**

DATED: SEPTEMBER 15, 2008

The Assembly Commerce and Economic Development Committee reports favorably Assembly Bill No. 3121.

This bill encourages urban enterprise zone eligible municipalities to provide closed circuit television surveillance systems, or other equipment and expenses related to homeland security and domestic preparedness, by including the purchase and installation of such equipment and the funding of such expenses as a project that would be eligible for funding assistance from the enterprise zone assistance fund established by section 29 of P.L.1983, c.303 (C.52:27H-88).

A3121 BURZICHELLI, VAS

6

1 SPONSOR'S STATEMENT

2

3 This bill encourages urban enterprise zone eligible municipalities  
4 to provide closed circuit television surveillance systems or other  
5 equipment and expenses related to homeland security and domestic  
6 preparedness by including the purchase and installation of such  
7 equipment and the funding of such expenses as a project that would  
8 be eligible for funding assistance from the enterprise zone  
9 assistance fund established by section 29 of P.L.1983, c.303  
10 (C.52:27H-88).