

CHAPTER 59

AN ACT concerning neighborhood revitalization, amending and supplementing P.L.2001, c.415 (C.52:27D-490 et seq.).

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

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

C.52:27D-491 Definitions relative to the "Neighborhood Revitalization State Tax Credit Act."

2. As used in this act:

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

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

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

"Commissioner" means the Commissioner of Community Affairs.

"Department" means the Department of Community Affairs.

"Eligible neighborhood" means a contiguous area located in one or more municipalities that, at the time of the application to the department for approval of a neighborhood preservation and revitalization plan, are either eligible to receive aid under the "Special Municipal Aid Act," P.L.1987, c.75 (C.52:27D-118.24 et seq.) or coextensive with a school district which qualified for designation as an "Abbott district" pursuant to the "Comprehensive Educational Improvement and Financing Act of 1996," P.L.1996, c.138 (C.18A:7F-1 et seq.).

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

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

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

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

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

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

"Other Neighborhood Revitalization Activities" means those activities, other than housing and economic development activities, carried out in furtherance of a State-approved neighborhood preservation and revitalization plan in a qualified low and moderate income neighborhood, and

may include, without limitation, improvements to infrastructure, street scape, public open space, and transportation systems; provision of social and community services, health care, crime prevention, recreation activities, community and environmental health services; and community outreach and organizing activities.

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

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

2. Section 5 of P.L.2001, c.415 (C.52:27D-494) is amended to read as follows:

C.52:27D-494 Approval of plan by department; standards.

5. The department shall determine whether a neighborhood preservation and revitalization plan should be approved. The department shall approve a neighborhood preservation and revitalization plan if it satisfies the following standards:

(1) the plan designates an eligible neighborhood; and

(2) The plan was developed through a process that

(a) gave written notice to the municipality in which the neighborhood is located of its intention to develop a plan and utilized reasonable means to inform residents, property owners, and businesses in the neighborhood of its intention to develop a plan and provided opportunities for them to participate in the development of the plan;

(b) gave written notice to the municipality in which the neighborhood is located of the proposed plan and provided an opportunity for it to comment upon it orally and in writing, complied with all of the requirements of the "Municipal Land Use Law," P.L.1975, c.291 (C.40:55D-1 et seq.) concerning the plan, utilized reasonable means to inform residents, property owners, and businesses in the neighborhood of the proposed plan and provided an opportunity for them to comment upon it orally and in writing; and

(c) involved consultation with nonprofit organizations located within the neighborhood or providing services to residents of the neighborhood;

(3) The plan is not inconsistent with

(a) any redevelopment plan adopted pursuant to the "Local Redevelopment and Housing Law," P.L.1992, c.79 (C.40A:12A-1 et seq.), and currently being implemented; or

(b) any neighborhood empowerment plan approved by the State pursuant to section 49 of P.L.1996, c.62 (C.55:19-64);

(4) The plan sets forth an overall concept of the future of the neighborhood; one or more strategies to foster preservation and revitalization of the neighborhood in accordance with that concept; one or more activities, including housing and economic development activities and other preservation and revitalization activities proposed within the neighborhood to foster preservation and revitalization of the neighborhood in furtherance of those strategies, including a description of funding sources obtained or to be sought for the planned activities and a timetable for the conduct of those activities; and

(5) The plan covers a period of no less than two and no more than ten years.

b. A nonprofit organization may, in submitting a proposed plan pursuant to P.L.2001, c.415 (C.52:27D-490 et seq.), adopt a redevelopment plan adopted pursuant to the "Local Redevelopment and Housing Law," P.L.1992, c.79 (C.40A:12A-1 et seq.), and currently being implemented; or a State-approved neighborhood empowerment plan pursuant to section 49 of P.L.1996, c.62 (C.55:19-64) as its neighborhood preservation and revitalization plan or a neighborhood preservation and revitalization plan previously approved by the department.

c. A nonprofit organization that has submitted a neighborhood preservation and revitalization plan to the department may seek to amend it at any time. The department shall approve amendments if they comply with the standards set forth in subsection a. of this section.

3. Section 7 of P.L.2001, c.415 (C.52:27D-496) is amended to read as follows:

C.52:27D-496 Issuance of certificate.

7. a. The commissioner shall determine, in accordance with law and regulation, whether to issue a certificate based upon proposed assistance by a business entity to a nonprofit organization to implement a qualified project.

b. The commissioner shall issue a certificate if the proposed assistance satisfies the following standards:

(1) The assistance is to be used for a qualified neighborhood preservation and revitalization project;

(2) The assistance is not less than \$25,000 in each tax year for which credit is sought. Assistance may be approved for the current tax year and up to four additional years in the future. If assistance is approved for years other than the current tax year, the approval shall include a schedule showing the amount of assistance to be provided in each year;

(3) Neither the business entity nor any wholly owned subsidiary has previously failed to provide assistance to a nonprofit organization for which approval was granted. This requirement may be waived by the department upon a showing of good cause; and

(4) The total of all assistance approved on behalf of a nonprofit organization per project does not exceed \$1,000,000

c. Within 60 days from the date of issuance of the certificate, the business entity shall pay the amount specified in the certificate that is due in the current tax year to the department for deposit into the Neighborhood Revitalization Non-lapsing Trust Fund created pursuant to section 5 of P.L.2003, c.59 (C.52:27D-500). In the case of assistance approved for years other than the current tax year, the business entity shall pay the amount specified no later than the anniversary of the date on which the first payment is due. The commissioner may extend the date payment is due for good cause shown, but no extension shall be granted where the business entity did not submit a written request for the extension at least fifteen days prior to the date payment is due.

d. The commissioner shall issue certificates to business entities applying for certificates and meeting the requirements of this section, up to the maximum amount of tax credits permitted under section 3 of P.L.2001, c.415 (C.52:27D-492), in the following order:

(1) those business entities specifying a project which has been approved by the department and providing assistance which is equal to the amount requested by the nonprofit organization submitting the project.

(2) those business entities not specifying a particular project, but which are willing to provide assistance for approved projects seeking assistance. The commissioner shall issue each business entity providing assistance with a certificate specifying the project to which the assistance will be provided and shall pool applications by business entities in order to provide the amount of assistance requested by each nonprofit organization submitting each project.

(3) those business entities not specifying a particular project, but which are willing to provide assistance, and for which no project approved by the department is available. The commissioner shall issue the certificate without specifying the project to which the assistance will be provided, and will deposit the amount set forth in the certificate in the Neighborhood Revitalization Non-lapsing Trust Fund created pursuant to section 5 of P.L.2003, c.59 (C.52:27D-500) in accordance with the provisions of this section.

e. In any year that the dollar amount of assistance sought by approved projects shall exceed the amount of assistance available, the department shall allocate any funds in the trust fund for which no project has been specified to provide assistance to such projects. At such time the department will issue the business entity an amended certificate specifying the project for which the assistance is being provided.

f. The department shall use any interest earnings on the funds in the trust fund in any manner that lawfully furthers the purposes of P.L.2001, c.415 (C.52:27D-490 et seq.), including, but not limited to, providing funds to qualified entities to provide training and technical assistance to nonprofit organizations eligible to prepare plans and submit projects under P.L. 2001, c. 415 (C. 52:27D-490 et seq.).

4. Section 9 of P.L.2001, c.415 (C.52:27D-498) is amended to read as follows:

C.52:27D-498 Establishment of forms, procedures, rules; annual report to Governor, Legislature.

9. a. In order to administer the neighborhood preservation and revitalization tax credit program, the department shall establish any necessary forms, procedures or rules to effectuate this act, in accordance with the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.). The department shall seek to foster use of the tax credit and to make the tax credit simple to apply for and simple to use.

b. The department shall act as a clearinghouse. It shall maintain lists of qualified projects and of business entities that have expressed a desire to provide assistance to qualified projects. The department shall pool applications from business entities in order to provide assistance to qualified projects as provided in section 7 of P.L.2001, c.415 (C.52:27D-496).

c. The department shall give priority in processing to applications that demonstrate a multi-year commitment by the business entity to implementation of the neighborhood preservation and revitalization plan.

d. The department shall submit to the Governor and Legislature an annual report which shall include at least:

(1) the purpose and effectiveness of the credit;

(2) the benefits of the credit to the State;

(3) any recommendations by the department as to changes in legislation needed to better carry out the purposes of P.L.2001, c.415 (C.52:27D-490 et seq.).

e. For each application by, or on behalf of, a business entity to approve assistance for a project, the department may charge a fee of up to 1.5 percent of the amount of assistance proposed, or approved, whichever is less, to pay for the administration of this program. The department may require that up to one third of this amount be paid at the time of submission of the application or declaration of intent, and that the balance be taken from the amount deposited into the trust fund upon deposit therein.

C.52:27D-500 Neighborhood Revitalization Non-lapsing Trust Fund.

5. A non-lapsing trust fund is hereby established in the State treasury to be known as the Neighborhood Revitalization Non-lapsing Trust Fund, into which all assistance from business entities receiving certificates under the provisions of P.L.2001, c.415 (C.52:27D-490 et seq.) shall be deposited by the department and from which all assistance for projects approved by the department shall be drawn. All interest earned on the funds deposited in the trust fund shall be retained in the trust fund to be used in accordance with sections 7 and 8 of P.L.2001, c.415 (C.52:27D-496 and C.52:27D-497).

6. This act shall take effect immediately.

Approved May 1, 2003.