

CHAPTER 6

AN ACT concerning certain sports and entertainment projects and the exemption thereof from property taxation and special assessments, and supplementing chapter 4 of Title 54 of the Revised Statutes.

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

C.54:4-3.6f Exemption from property taxation, special assessments for certain sports and entertainment projects.

1. A sports and entertainment project constructed under a redevelopment plan adopted by an eligible city and owned by the eligible city, or an agency or instrumentality of the eligible city, which is used and operated by the eligible city, or the agency or instrumentality of the eligible city, or by a lessee thereof under a lease from the eligible city, or agency or instrumentality of the eligible city, to provide sports and entertainment events, shows, public meetings or events, exhibitions, or other expositions, shall be deemed to be devoted to an essential public and governmental use and purpose, and the property thereof and any such leasehold estate therein shall be exempt from all property taxation and special assessments of the State or any political subdivision thereof, imposed under chapter 4 of Title 54 of the Revised Statutes, so long as the agency or instrumentality of the eligible city complies with the requirements of section 2 of P.L.2009, c.6 (C.54:4-3.6g).

C.54:4-3.6g Payment of net rents, revenues to city, independent audits.

2. The agency or instrumentality of the eligible city shall pay over to the city all net rents and other revenues received by the agency or instrumentality from its ownership, operation, or leasing of the sports and entertainment project, after providing for payment of all costs, expenses, and other obligations payable by the agency or instrumentality from such rents or other revenues, including any amounts payable under any lease of the sports and entertainment project.

Prior to the funds being paid over to the eligible city, the agency or instrumentality of the eligible city shall cause independent audits to be conducted of: 1) all funds received and all costs, expenses, and obligations incurred by the agency or instrumentality that were associated with the operation of the sports and entertainment project and that are part of the calculation of the amount being paid over to the city; and 2) the financial records of any primary lessee of the sports and entertainment project that pertain to the amounts payable to the agency or instrumentality under a lease agreement. A report of each audit shall be filed with the governing body of the eligible city and with the Director of the Division of Local Government Services in the Department of Community Affairs. An individual or firm shall not be employed or otherwise engaged by an agency or instrumentality of an eligible city to conduct said audits without the prior written approval of the Director of the Division of Local Government Services in the Department of Community Affairs.

C.54:4-3.6h Powers, rights, privileges exercised by city.

3. So long as the eligible city, or agency or instrumentality of the eligible city, shall be the owner of the sports and entertainment project, the powers, rights, and privileges granted under law to the eligible city, or agency or instrumentality of the eligible city, for any of its purposes, may be exercised by it for the purposes of the sports and entertainment project.

C.54:4-3.6i Terms defined.

4. As used in sections 1 through 3 of P.L.2009, c.6 (C.54:4-3.6f through C.54:4-3.6h), the following terms are defined as follows:

“Sports and entertainment project” means a non-open air arena, stadium, pavilion, stands or playing fields, together with the buildings, structures, infrastructure, facilities, properties, and amenities related to or necessary for the operation, leasing, or use thereof; and

“Eligible city” means a city of the first class within the State.

5. This act shall take effect immediately.

Approved January 27, 2009.