

Legislative Summary

Update! A3195, A3196 - Assemblyman Wayne P. DeAngelo (D-14), Assemblywoman Linda R. Greenstein (D-14)

The first bill would cut red-tape by requiring the Department of Treasury to create a uniform application for state business grants or loans. The second bill, if approved, would help revitalize communities by offering tax credits for the redevelopment or improvement of distressed shopping centers. This bill directs the New Jersey Economic Development Authority (EDA) to establish a program to certify taxpayers that make retail investments to redevelop partially or completely vacant shopping centers in New Jersey as eligible to receive a corporation business tax credit of up to \$15,000, but not exceeding the amount of 50% of corporation business tax owed by the taxpayer. Both bills were recently recommitted to the Assembly Appropriations Committee.

Update! S1866 - Senator James Whelan (D2)

In an effort to stimulate growth in Atlantic City, Senator James Whelan submitted a bill that lowers the required room minimum on new hotel and casino construction. "Through this legislation, we'll be inviting new investment to revitalize blighted areas in Atlantic City," said Senator Whelan. "When we rolled this bill out earlier this year, we were met with enthusiastic support from potential developers, and Hard Rock is ready to put shovels into the ground as soon as this bill passes and the ink on their casino license dries. Unless we diversify the gaming product in Atlantic City - and that means being open to boutique casinos - the market will stagnate and decay as competition builds just beyond our borders." The bill recently passed both the House and Senate and was sent to the Governor's desk.

Update! SCR132 - Senator Raymond J. Lesniak (D-20)

This constitutional amendment would authorize the Legislature to enact laws allowing betting on sports or athletic events at casinos in Atlantic City and at running or harness horse racetracks, including former racetracks. Bets could be placed at a casino or racetrack site on the results of professional, college, or amateur sport or athletic events, except that bets could not be placed on college games that take place in New Jersey or in which a New Jersey college team participates regardless of where the game takes place. The constitutional amendment recently passed both the House and Senate and has been filed with the Secretary of State.

Update! A3353 - Assemblyman Albert Coutinho (D29)

The bill establishes the "New Jersey Closing Fund." The purpose of the fund is to stimulate economic activity by encouraging and promoting the retention and expansion of existing business and industry in the State as well as creating and attracting new business and industry to the State. "One of the keys to jumpstarting economic development throughout our state is encouraging and promoting the retention and expansion of existing business and industry, while also attracting new ones," said Coutinho (D-Essex), the Assembly Commerce and Economic Development chairman. "This bill is a big step toward accomplishing those goals and ensuring we have what it takes to close the deal when the time is right." The bill was recently transferred to the Assembly Budget Committee and reported out of committee for second reading in the Assembly.

From the Governor's Desk

Gov. Christie says N.J. close on deal for control of Atlantic City casinos

A deal is close on legislation to give the state control of Atlantic City's gaming district and deregulate the casinos, Gov. Chris Christie said at a town hall meeting in Clinton this week.

"We are very close to a final deal with the Legislature," Christie said.

Democrats, however, are pushing for horse racing to also be included in a deal on Atlantic City legislation, after a study recommended the state scrap racing at the Meadowlands and eventually sell both state-owned tracks. Christie said the compromise would also deregulate the casinos. Such a move would save casinos \$15 million to \$60 million but they would be required to spend the money on advertising the seaside resort, the governor said. Advertising is crucial, Christie said, because New Jersey has something none of the other gambling cities can produce: the Atlantic Ocean.

In the News

'Back to Work NJ' Bill to Create Jobs and Economic Growth Advanced by Assembly Panel

Legislation sponsored by Assemblywoman Sheila Y. Oliver (D-34), Assemblyman Joseph Cryan (D-20), Assemblyman Paul Moriarty (D-4) and Assemblyman Gerald Green (D-22) to create the "Back to Work NJ" program to stimulate job growth by allowing unemployed New Jerseyans to receive workplace training from a potential employer was released Wednesday by an Assembly panel.

"We need innovative programs like this to help workers and businesses emerge strong from this economy," said Moriarty (D-4).

"This program is so exciting because it gives working class New Jerseyans an opportunity to get hands-on training that can improve their job skills and make themselves more attractive to potential employers. That's especially vital in this economy." The sponsors said the program itself should save the state millions of dollars in unemployment trust fund money by getting unemployed people back in paying jobs faster than they otherwise would have without the program.



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Business' tax liability could change under proposed bill

The Assembly Budget Committee unanimously approved legislation that changes the formula used to calculate a business's corporate tax liability in New Jersey from three factors to one today. Assemblyman Gary Chiusano (R-24) is a primary sponsor of the bill, which would be phased-in over a three-year period.

Under current law, the tax liability in New Jersey for a company with multi-state operations is calculated according to the percentage of its sales, property holdings and payroll in New Jersey, relative to its entire operation. Presently, a New Jersey-based company doing business in the state would need to establish its "regular place of business" in another state to take advantage of the formula, otherwise it must allocate all of its taxable income to New Jersey. Chiusano's bill would only utilize an organization's in-state sales to determine its tax liability, eliminating the payroll and property tax factors.

Over a three-year period, Chiusano's bill phases out the other two factors currently used. Ultimately, in the third year a company's sales becomes the only variable in the calculation.

Smart Growth would be streamlined and developers encouraged under proposed bill

The Assembly Budget Committee recently approved a measure to streamline the development approval process to encourage Smart Growth and remove many of the burdens that often prevent developers from investing in New Jersey.

Under the bill, many of the approval rights granted to general developments would be conferred upon Smart Growth developments to streamline the process and avoid fluctuating requirements as developments get underway.

Currently, general development plan approvals confer vested rights upon the applicant for a three-year period following the date of approval. The vested rights acquired by the applicant guarantee that the general terms and conditions on which preliminary approval was granted will not be changed, including but not limited to use requirements; layout and design standards for streets, curbs and sidewalks; lot size; yard dimensions and off-tract improvements.

Under the bill, this same approval mechanism would be extended to projects with a nonresidential floor area of 150,000 square feet or more or with 100 residential dwelling units or more, on sites of 100 acres or less in areas located in certain areas as set forth in the 2001 New Jersey State Development and Redevelopment Plan.