

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### **SENATE, No. 3439**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: JUNE 26, 2024

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 3439.

This bill, as amended by the committee, clarifies the types of transportation-related projects a UEZ municipality may fund from zone assistance funds under the “New Jersey Urban Enterprise Zones Act,” C.52:27H-60 et seq. A project may qualify for funding under the UEZ program if the project satisfies the statutory definition of the term “qualified assistance fund expense.” Currently, among other items, reasonable expenses related to the improvement of public infrastructure within a commercial or transportation corridor may be funded as a “qualified assistance fund expense.”

The bill amends the definition of the term “qualified assistance fund expense” to: retain the provision of current law that includes “reasonable expenses related to the improvement of public infrastructure within a commercial or transportation corridor” as a “qualified assistance fund expense,” while extending the defined term to also encompass “reasonable expenses related to the improvement of transportation infrastructure” whether or not the transportation infrastructure project is located within a commercial or transportation corridor, so long as the transportation infrastructure project is located within a UEZ.

The bill also adds language to the term “qualified assistance fund expense” to clarify that reasonable expenses related to the improvement of transportation infrastructure within a UEZ includes the payment of debt service related to financing the project, and the pledge of funds credited to the zone assistance fund toward the repayment of a loan issued by a government agency for the project. The bill allows up to 75 percent of zone assistance funds to be used to pay debt service related to the financing of the cost of a transportation infrastructure project or pledged toward the repayment of a loan for the cost of a transportation infrastructure project if such use is detailed in the municipality’s zone development plan certified by the UEZ Authority.

The bill adds several new defined terms to the UEZ Act to better describe transportation infrastructure project expenses that may be

funded for a zone assistance fund. The bill defines the term “transportation infrastructure” to include, but not be limited to:

(1) all public highways, roads, bridges, and streets in the State, whether maintained by the State or by any county, municipality, or other political subdivision; and

(2) public transportation facilities used in connection with public transportation service, such as passenger stations, shelters and terminals, automobile and bus parking facilities, ramps, track connections, signal systems, power systems, information and communication systems, roadbeds, transit lanes or rights-of-way, equipment storage and servicing facilities, bridges, grade crossings, rail cars, locomotives, motorbuses and other motor vehicles, maintenance and garage facilities, revenue handling equipment and any other equipment, facility or property useful or related to the provision of public transportation service.

The bill also defines the term “public transportation service” to mean rail passenger service, motorbus regular route service, paratransit service, motorbus charter service, and ferry passenger service.

#### COMMITTEE AMENDMENTS:

The committee amendments expand the definition of the term “qualified assistance fund expense” to encompass reasonable expenses related to the improvement of “public infrastructure” within a commercial or transportation corridor in addition to “transportation infrastructure” within a UEZ.

The amendments also clarify that the payment of debt service related to the financing of a transportation infrastructure project, and the pledge of funds credited to the assistance fund toward the repayment of a loan issued by any government agency, may be eligible for funding from a zone assistance fund.

Finally, the amendments specify that up to 75 percent of any zone assistance funds may be used to pay debt service related to the financing of the cost of a transportation infrastructure project or pledged toward the repayment of a loan for the cost of a transportation infrastructure project if such use is detailed in that municipality’s zone development plan certified by the UEZ Authority.

#### FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.