

SENATE NATURAL RESOURCES AND ECONOMIC  
DEVELOPMENT COMMITTEE

STATEMENT TO

**SENATE, No. 294**

**STATE OF NEW JERSEY**

DATED: JANUARY 22, 1996

The Senate Natural Resources and Economic Development committee favorably reports Senate Bill No. 294.

This bill provides for the remediation and redevelopment of municipal landfill sites under the terms and conditions of a redevelopment agreement negotiated by a developer and the State.

The bill would authorize an eligible developer to receive a sales tax reduction of up to \$0.03 per \$1.00 of non-exempt sales generated from any business located within the area subject to the redevelopment agreement as reimbursement for the remediation costs incurred in properly closing the municipal landfill site and redeveloping the area.

The developer would negotiate with the Commissioner of the Department of Commerce and Economic Development over the terms and conditions of the redevelopment agreement. The developer would undertake the environmentally-sound closure of the municipal landfill in accordance with a financial plan approved by the Commissioner of Environmental Protection.

To be eligible for the reduction, a developer must submit an application, in writing, to the Director of the Division of Taxation for review and certification. The director would review the request for certification on a timely basis.

The director may only certify a developer to be eligible for the reduction if: (1) the developer owns or operates a place of business located in the area subject to the redevelopment agreement for the purpose of making retail sales; (2) non-exempt items are regularly exhibited and offered for retail sale at that location; (3) the place of business is not utilized primarily for the purpose of catalogue or mail order sales; and (4) the developer has obtained the approval from the Commissioner of Environmental Protection of a financial plan for the closure of the municipal solid waste landfill located on the site of the redevelopment project.

The sales tax reduction authorized under this bill would remain in effect until such time as the developer recovered the dollar amount of the closing costs incurred by the developer, as certified by the Commissioner of Environmental Protection.

The bill also provides that the Commissioner of Environmental

Protection may delegate to the municipal governing body the closure responsibilities that would otherwise be required of the developer. This delegation could be either at the initiative of the municipality or as a predicate to a developer entering into a redevelopment agreement with the State.

Any municipality proposing to undertake a municipal solid waste landfill closure project must submit to and receive the approval of the Commissioner of Environmental Protection of a financial plan for the closure of the municipal solid waste landfill located on the site of the proposed redevelopment project.

The Department of Environmental Protection would make available moneys from the Sanitary Landfill Facility Contingency Fund established pursuant to section 6 of P.L.1981, c.306 (C.13:1E-105) for loans to municipalities to undertake such closure projects. A loan would be in an amount sufficient to cover the closing costs of the delegated closure responsibilities. Any loan made by the department to a municipality must be repaid to the Sanitary Landfill Facility Contingency Fund out of moneys received by the municipality from the developer.

Accordingly, the bill provides that in the case of delegated closure responsibilities, the developer would make payments to the chief fiscal officer of the municipality to which closure responsibility has been delegated utilizing moneys derived from the sales tax reduction authorized under the bill. The payments would continue until such time as the aggregate dollar amount of the payments received by the municipality equal the dollar amount of the closing costs incurred by that municipality.

This bill was pre-filed for introduction in the 1996-1997 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.