

[Second Reprint]
SENATE, No. 2264

STATE OF NEW JERSEY
216th LEGISLATURE

INTRODUCED JUNE 23, 2014

Sponsored by:

Senator JAMES BEACH

District 6 (Burlington and Camden)

Assemblyman TROY SINGLETON

District 7 (Burlington)

SYNOPSIS

Extends application period for certain urban hope projects and permits reconstructed facilities as part of projects.

CURRENT VERSION OF TEXT

As amended on September 22, 2014 by the Senate pursuant to the Governor's recommendations.



(Sponsorship Updated As Of: 6/27/2014)

1 AN ACT concerning renaissance school districts, revising various
2 parts of the statutory law, and supplementing P.L.2011, c.176.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 ²**[1.**Section 2 of P.L.1969, c.130 (C.18A:24-61.2) is amended to
8 read as follows:

9 2. Notwithstanding the provisions of any other law or any debt
10 limitation or requirement for down payment or for referendum or
11 other action by legal voters, refunding bonds may be authorized and
12 issued for the purpose of paying, funding or refunding: any
13 refunded bonds; the cost of retiring the present value of the
14 unfunded accrued liability due and owing by a board of education,
15 as calculated by the system actuary for a date certain upon the
16 request of a board of education, for early retirement incentive
17 benefits granted by the board of education pursuant to P.L.1991,
18 c.231, P.L.1993, c.163 **[and]**, P.L.2003, c.129, and P.L. _____,
19 c. (pending before the Legislature as this bill); and the cost or
20 expense of issuing refunding bonds including printing, advertising,
21 accounting, financial, legal or other expense in connection
22 therewith. Obligations to be paid, funded or refunded with respect
23 to which an ordinance authorizing the issuance of refunding bonds
24 has been adopted pursuant to this act and not otherwise deductible
25 shall be excluded in calculating the net school debt of a
26 municipality or a district. Refunding bonds shall be authorized (a)
27 in the case of any county or municipality by a refunding bond
28 ordinance enacted in the manner or mode of procedure provided for
29 adoption of a refunding bond ordinance pursuant to the Local Bond
30 Law, constituting chapter 2 of Title 40A, Municipalities and
31 Counties, of the New Jersey Statutes, and (b) in the case of a Type
32 II school district by an ordinance (herein called the "refunding bond
33 ordinance") adopted by the board of education of such school
34 district as provided in this chapter.

35 (cf: P.L.2003, c.129, s.12)**]**²

36
37 ²**[2.]** ^{1,2} Section 3 of P.L.2011, c.176 (C.18A:36C-3) is
38 amended to read as follows:

39 3. As used in this act:

40 "Commissioner" means the Commissioner of Education.

41 "Failing district" means: in accordance with data from the
42 Statewide assessment reports issued by the Department of
43 Education (1) in the case of a school district located in a city of the

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SBA committee amendments adopted June 23, 2014.

²Senate amendments adopted in accordance with Governor's
recommendations September 22, 2014.

1 first class, a school district in which at least 40% of the students
2 scored in the partially proficient range in the language arts and
3 mathematics sections of each State assessment administered in the
4 2009-2010 school year; and (2) in the case of a school district
5 located in a city of the second class, a school district in which at
6 least 45% of the students scored in the partially proficient range in
7 the language arts and mathematics sections of each State assessment
8 administered in the 2009-2010 school year.

9 "Per pupil expenditure" means the sum of the budget year
10 equalization aid per pupil, budget year adjustment aid per pupil, and
11 the prebudget year general fund tax levy per pupil inflated by the
12 CPI rate most recent to the calculation.

13 "School facility" means and includes any structure, building, or
14 facility used wholly or in part for educational purposes by the
15 students of a school district.

16 "Renaissance school district" is a failing district in which
17 renaissance school projects shall be established.

18 "Renaissance school project" means a newly-constructed school,
19 or group of schools in an urban campus area, that provides an
20 educational program for students enrolled in grades pre-K through
21 12 or in a grade range less than pre-K through 12, that is agreed to
22 by the school district, and is operated and managed by a nonprofit
23 entity in a renaissance school district. A school or group of schools
24 may include existing facilities that have undergone substantial
25 reconstruction by the renaissance school project applicant. A
26 substantial reconstruction shall ¹; ¹ meet all applicable building
27 codes ¹; comply with the Uniform Construction Code enhancements
28 where the health and safety of the building occupants are affected;
29 comply with all "Americans with Disabilities Act of 1990"
30 regulations outlined in the New Jersey Barrier Free Subcode at
31 N.J.A.C.5:23-7 et seq.; and comply with the Uniform Construction
32 Code and other applicable State and federal laws for radon, lead,
33 asbestos, and other contaminants and be subject to the enforcement
34 of such standards by the applicable State or federal agency¹. The
35 first facility of a renaissance school project shall be a newly-
36 constructed school facility which is designed to house, upon
37 completion, at least 20 percent of the total number of students to be
38 enrolled in the renaissance school project. A renaissance school
39 project may include a dormitory and related facilities as permitted
40 pursuant to section 5 of P.L.2011, c.176 (C.18A:36C-5).

41 "Urban campus area" means the area within a 1.5-mile radius of
42 the site of the initial school of a renaissance school project, except
43 that a high school building which is part of the renaissance school
44 project may be located within a two-mile radius of the site of the
45 initial school of a renaissance school project.

46 (cf: P.L.2013, c.149, s.1)

1 ²**[3.] 2.**² Section 4 of P.L.2011, c.176 (C.18A:36C-4) is
2 amended to read as follows:

3 4. a. A nonprofit entity, in partnership with the renaissance
4 school district, may submit to the commissioner an application to
5 create a renaissance school project no later than three years
6 following the effective date of **[this act]** P.L.2011, c.176
7 (C.18A:36C-1 et seq.); except that in the case of a project to be
8 located in a renaissance school district which is in a municipality
9 that is subject to the “Municipal Rehabilitation and Economic
10 Recovery Act,” P.L.2002, c.43 (C.52:27BBB-1 et al.), the
11 application must be submitted no later than four years following the
12 effective date of P.L.2011, c.176 (C.18A:36C-1 et seq.). A
13 nonprofit entity seeking to create a renaissance school project shall
14 have experience in operating a school in a high-risk, low-income
15 urban district. In addition, an entity retained by the nonprofit entity
16 for the purpose of financing or constructing the renaissance school
17 project shall also have appropriate experience.

18 b. The application shall be in a form prescribed by the
19 commissioner, but at a minimum it shall contain the following:

20 (1) except as otherwise provided in this paragraph, a resolution
21 adopted in a public meeting by the board of education of the
22 renaissance school district in which the renaissance school project
23 will be located certifying the support of the board for the
24 application. In the case of a district under full or partial State
25 intervention with an advisory board of education, the application
26 shall contain evidence that that State district superintendent or
27 superintendent, as applicable, convened at least three public
28 meetings to discuss the merits of the renaissance school project.
29 The evidence shall include, at a minimum, any written public
30 comments received during those meetings. In the case of these
31 districts, the application shall contain a resolution from the advisory
32 board of education reflecting the board's approval or disapproval of
33 the renaissance school project. While a successful application does
34 not require approval from the advisory board of education, the
35 commissioner, in considering the application, shall give due
36 consideration to any disapproval from the advisory board;

37 (2) a copy of the amendment to the renaissance school district's
38 long-range facilities plan which has been submitted to the
39 commissioner pursuant to section 4 of P.L.2000, c.72 (C.18A:7G-4)
40 that includes the proposed renaissance school project;

41 (3) the educational goals of the renaissance school project, the
42 curriculum to be offered, and the methods of assessing whether
43 students are meeting the proffered educational goals;

44 (4) any testing and academic performance standards to be
45 mandated by the renaissance school project beyond those required
46 by State law and regulation;

- 1 (5) the admission policy and criteria for evaluating the
- 2 admission of students to the renaissance school project, which shall
- 3 comply with the provisions of section 8 of this act;
- 4 (6) the age or grade range of students to be enrolled in the
- 5 renaissance school project;
- 6 (7) the total number of students to be enrolled in each grade
- 7 level of the renaissance school project;
- 8 (8) the renaissance school project calendar and school day
- 9 schedule;
- 10 (9) the financial plan for the renaissance school project and the
- 11 provisions that will be made for auditing pursuant to N.J.S.18A:23-
- 12 1;
- 13 (10) a description of, and address for, the initial school facility
- 14 in which the renaissance school project will be located and an
- 15 affirmation that any other school facility or facilities in which the
- 16 renaissance school project will be located will be in the required
- 17 urban campus area. For any school facility other than the initial
- 18 school facility included in the application pursuant to this
- 19 paragraph, the nonprofit entity shall notify the Commissioner of
- 20 Education of the location of the facility at least one year prior to the
- 21 opening of the facility;
- 22 (11) documentation that the proposed renaissance school project
- 23 meets **any** school facility regulations promulgated by the State
- 24 Board of Education **for** the Department of Community Affairs ,
- 25 other than the facilities efficiency standards developed by the
- 26 Commissioner of Education pursuant to subsection h. of section 4
- 27 of P.L.2000, c.72 (C.18A:7G-4) pertaining to the health and safety
- 28 of the pupils;
- 29 (12) documentation of a funding plan to acquire necessary lands
- 30 and to construct a renaissance school project thereon, including the
- 31 terms of any financing secured for such purpose;
- 32 (13) (Deleted by amendment, P.L.2013, c.149)
- 33 (14) identification of the attendance area of the renaissance
- 34 school project, if the renaissance school project will not be built on
- 35 land owned by the New Jersey Schools Development Authority or
- 36 the renaissance school district;
- 37 (15) a description of the process employed by the renaissance
- 38 school district to find and partner with the chosen nonprofit entity
- 39 to create a renaissance school project. The description shall be
- 40 sufficient to show that the process employed by the renaissance
- 41 school district was open, fair, and subject to public input and
- 42 comment. The description shall, at a minimum, include any
- 43 requests for proposals issued by the renaissance school district, the
- 44 number of responses received, and the process and criteria
- 45 employed by the renaissance school district to select the chosen
- 46 nonprofit entity among the respondents; and
- 47 (16) such other information as the commissioner may require.
- 48 (cf: P.L.2013, c.149, s.2)

1 ²~~4.1~~ 3.2 Section 7 of P.L.2011, c.176 (C.18A:36C-7) is
2 amended to read as follows:

3 7. a. Notwithstanding that a renaissance school project shall be
4 constructed, controlled, operated, and managed by a nonprofit
5 entity, and not the local board of education, it shall be a public
6 school. However nothing contained herein shall restrict a for-profit
7 entity from constructing a renaissance school project, or a
8 renaissance school project from being located on land owned by a
9 for-profit entity. Further, the renaissance school project shall be
10 authorized to retain any business entity, however formed, whose
11 primary purpose is the staffing, operation, and management of
12 elementary schools, middle schools, or high schools in the United
13 States, except as it relates to instructional services.

14 b. The costs of a renaissance school project including, but not
15 limited to, the costs of land acquisition, site remediation, site
16 development, design, construction, and any other costs required to
17 place into service the school facility or facilities constituting the
18 renaissance school project shall be at the sole expense of the
19 nonprofit entity. The nonprofit entity may use State funds to pay
20 for a lease, debt service, or mortgage for any facility constructed or
21 otherwise acquired.

22 c. Notwithstanding the provisions of the "Educational Facilities
23 Construction and Financing Act," P.L.2000, c.72 (C.18A:7G-1 et
24 al.), or any other law or regulation to the contrary, there shall be no
25 State share for the costs of a renaissance school project.

26 d. Notwithstanding the provisions of the "Public School
27 Contracts Law," N.J.S.18A:18A-1 et seq., or any other law or
28 regulation to the contrary, the nonprofit entity or any entity acting
29 in cooperation with a renaissance school project shall not be subject
30 to public bidding for goods and services, and any contracts entered
31 into by the nonprofit entity shall not be deemed public contracts or
32 public works; except that any contract entered into by the nonprofit
33 entity or any entity acting in cooperation with a renaissance school
34 project shall be deemed a public work for the purposes of the "New
35 Jersey Prevailing Wage Act," P.L.1963, c.150 (C.34:11-56.25 et
36 seq.), and subject to the applicable provisions of that act.

37 e. The renaissance school district in which a renaissance school
38 project is located shall pay to the nonprofit entity in 12 equal
39 monthly installments an amount per pupil equal to 95% of the
40 district's per pupil expenditure. In addition the 12 monthly
41 installments shall include the security categorical aid attributable to
42 the student, a percentage of the district's special education
43 categorical aid equal to the percentage of the district's special
44 education students enrolled in the renaissance school project, and if
45 applicable 100% of preschool education aid. The district shall also
46 pay directly to the renaissance school project any federal funds
47 attributable to the student.

1 f. Renaissance school projects shall be required to meet the
2 same testing and academic performance standards established by
3 law and regulation for public school students, and shall meet any
4 additional testing and academic performance standards established
5 by the nonprofit entity and approved by the commissioner.

6 g. The nonprofit entity shall have complete discretion in
7 naming the renaissance school project. The nonprofit entity may
8 not realize a net profit from its operation of a renaissance school
9 project. A private or parochial school shall not be eligible for
10 renaissance school project status.

11 h. A nonprofit entity shall operate a renaissance school project
12 in accordance with the contract entered into pursuant to section 6 of
13 this act, the provisions of this act, and the laws and regulations that
14 govern **other public** charter schools which are not inconsistent
15 with this act.

16 (cf: P.L.2011, c.176, s.7)

17

18 ²**[5.] 4.**² Section 10 of P.L.2013, c.149 (C.18A:36C-19) is
19 amended to read as follows:

20 10. **[A]** Notwithstanding the provisions of any law, rule, or
21 regulation to the contrary, a renaissance school project shall not be
22 subject to the facility efficiency standards developed by the
23 Commissioner of Education pursuant to subsection h. of section 4
24 of P.L.2000, c. 72 (C.18A:7G-4) or any other public school facility
25 regulations, except those pertaining to the health and safety of the
26 pupils.

27 (cf: P.L.2013, c.149, s.10)

28

29 ¹**[6.** Section 2 of P.L.2011, c.149 (C.34:1B-243) is amended to
30 read as follows:

31 2. As used in P.L.2011, c.149 (C.34:1B-242 et seq.):

32 "Affiliate" means an entity that directly or indirectly controls, is
33 under common control with, or is controlled by the business.
34 Control exists in all cases in which the entity is a member of a
35 controlled group of corporations as defined pursuant to section 1563
36 of the Internal Revenue Code of 1986 (26 U.S.C.s.1563) or the
37 entity is an organization in a group of organizations under common
38 control as defined pursuant to subsection (b) or (c) of section 414 of
39 the Internal Revenue Code of 1986 (26 U.S.C.s.414). A taxpayer
40 may establish by clear and convincing evidence, as determined by
41 the Director of the Division of Taxation in the Department of the
42 Treasury, that control exists in situations involving lesser
43 percentages of ownership than required by those statutes. An
44 affiliate of a business may contribute to meeting either the qualified
45 investment or full-time employee requirements of a business that
46 applies for a credit under section 3 of P.L.2007, c.346 (C.34:1B-
47 209).

1 "Authority" means the New Jersey Economic Development
2 Authority established by section 4 of P.L.1974, c.80 (C.34:1B-4).

3 "Aviation district" means the area within a one-mile radius of the
4 outermost boundary of the "Atlantic City International Airport,"
5 established pursuant to section 24 of P.L.1991, c.252 (C.27:25A-
6 24).

7 "Business" means an applicant proposing to own or lease
8 premises in a qualified business facility that is:

9 a corporation that is subject to the tax imposed pursuant to
10 section 5 of P.L.1945, c.162 (C.54:10A-5);

11 a corporation that is subject to the tax imposed pursuant to
12 sections 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and 54:18A-3),
13 section 1 of P.L.1950, c.231 (C.17:32-15) or N.J.S.17B:23-5;

14 a partnership;

15 an S corporation;

16 a limited liability company; or

17 a non-profit corporation.

18 If the business or tenant is a cooperative or part of a cooperative,
19 then the cooperative may qualify for credits by counting the full-
20 time employees and capital investments of its member
21 organizations, and the cooperative may distribute credits to its
22 member organizations. If the business or tenant is a cooperative
23 that leases to its member organizations, the lease shall be treated as
24 a lease to an affiliate or affiliates.

25 A business shall include an affiliate of the business if that
26 business applies for a credit based upon any capital investment
27 made by or full-time employees of an affiliate.

28 "Capital investment" in a qualified business facility means
29 expenses by a business or any affiliate of the business incurred after
30 application for:

31 a. site acquisition, if purchased within 24 months prior to
32 project application, site preparation and construction, repair,
33 renovation, improvement, equipping, or furnishing on real property
34 or of a building, structure, facility, or improvement to real property;

35 b. obtaining and installing furnishings and machinery,
36 apparatus, or equipment, including but not limited to material goods
37 subject to bonus depreciation under sections 168 and 179 of the
38 federal Internal Revenue Code (26 U.S.C. s.168 and s.179), for the
39 operation of a business on real property or in a building, structure,
40 facility, or improvement to real property;

41 c. receiving Highlands Development Credits under the
42 Highlands Transfer Development Rights Program authorized
43 pursuant to section 13 of P.L.2004, c.120 (C.13:20-13); or

44 d. any of the foregoing.

45 In addition to the foregoing, in a Garden State Growth Zone, the
46 following qualify as a capital investment: any and all
47 redevelopment and relocation costs, including, but not limited to,
48 site acquisition if made within 24 months of application to the

1 authority, engineering, legal, accounting, and other professional
2 services required; and relocation, environmental remediation, and
3 infrastructure improvements for the project area, including, but not
4 limited to, on- and off-site utility, road, pier, wharf, bulkhead, or
5 sidewalk construction or repair.

6 In addition to the foregoing, if a business acquires or leases a
7 qualified business facility, the capital investment made or acquired
8 by the seller or owner, as the case may be, if pertaining primarily to
9 the premises of the qualified business facility, shall be considered a
10 capital investment by the business and, if pertaining generally to the
11 qualified business facility being acquired or leased, shall be
12 allocated to the premises of the qualified business facility on the
13 basis of the gross leasable area of the premises in relation to the
14 total gross leasable area in the qualified business facility. The
15 capital investment described herein may include any capital
16 investment made or acquired within 24 months prior to the date of
17 application so long as the amount of capital investment made or
18 acquired by the business, any affiliate of the business, or any owner
19 after the date of application equals at least 50 percent of the amount
20 of capital investment, allocated to the premises of the qualified
21 business facility being acquired or leased on the basis of the gross
22 leasable area of such premises in relation to the total gross leasable
23 area in the qualified business facility made or acquired prior to the
24 date of application.

25 "Commitment period" means the period of time that is 1.5 times
26 the eligibility period.

27 "Deep poverty pocket" means a population census tract having a
28 poverty level of 20 percent or more, and which is located within the
29 qualified incentive area and has been determined by the authority to
30 be an area appropriate for development and in need of economic
31 development incentive assistance.

32 "Disaster recovery project" means a project located on property
33 that has been wholly or substantially damaged or destroyed as a
34 result of a federally-declared disaster which, after utilizing all
35 disaster funds available from federal, State, county, and local
36 funding sources, demonstrates to the satisfaction of the authority
37 that access to additional funding authorized pursuant to the "New
38 Jersey Economic Opportunity Act of 2013," P.L.2013,
39 c.161 (C.52:27D-489p et al.), is necessary to complete such
40 redevelopment project, and which is located within the qualified
41 incentive area and has been determined by the authority to be in an
42 area appropriate for development and in need of economic
43 development incentive assistance.

44 "Distressed municipality" means a municipality that is qualified
45 to receive assistance under P.L.1978, c.14 (C.52:27D-178 et seq.), a
46 municipality under the supervision of the Local Finance Board
47 pursuant to the provisions of the "Local Government Supervision
48 Act (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.), a municipality

1 identified by the Director of the Division of Local Government
2 Services in the Department of Community Affairs to be facing
3 serious fiscal distress, a SDA municipality, or a municipality in
4 which a major rail station is located.

5 "Eligibility period" means the period in which a business may
6 claim a tax credit under the Grow New Jersey Assistance Program,
7 beginning with the tax period in which the authority accepts
8 certification of the business that it has met the capital investment
9 and employment requirements of the Grow New Jersey Assistance
10 Program and extending thereafter for a term of not more than 10
11 years, with the term to be determined solely at the discretion of the
12 applicant.

13 "Eligible position" or "full-time job" means a full-time position
14 in a business in this State which the business has filled with a full-
15 time employee.

16 "Full-time employee" means a person:

17 a. who is employed by a business for consideration for at least
18 35 hours a week, or who renders any other standard of service
19 generally accepted by custom or practice as full-time employment,
20 or

21 b. who is employed by a professional employer organization
22 pursuant to an employee leasing agreement between the business
23 and the professional employer organization, in accordance with
24 P.L.2001, c.260 (C.34:8-67 et seq.) for at least 35 hours a week, or
25 who renders any other standard of service generally accepted by
26 custom or practice as full-time employment, and whose wages are
27 subject to withholding as provided in the "New Jersey Gross
28 Income Tax Act," N.J.S.54A:1-1 et seq., or

29 c. who is a resident of another State but whose income is not
30 subject to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1
31 et seq. or who is a partner of a business who works for the
32 partnership for at least 35 hours a week, or who renders any other
33 standard of service generally accepted by custom or practice as full-
34 time employment, and whose distributive share of income, gain,
35 loss, or deduction, or whose guaranteed payments, or any
36 combination thereof, is subject to the payment of estimated taxes, as
37 provided in the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1
38 et seq., and

39 d. who is provided, by the business, with employee health
40 benefits under a health benefits plan authorized pursuant to State or
41 federal law.

42 With respect to a logistics, manufacturing, energy, defense,
43 aviation, or maritime business, excluding primarily warehouse or
44 distribution operations, located in a port district having a container
45 terminal:

46 the requirement that employee health benefits are to be provided
47 shall be deemed to be satisfied if such benefits are provided in

1 accordance with industry practice by a third party obligated to
2 provide such benefits pursuant to a collective bargaining agreement;

3 full-time employment shall include, but not be limited to,
4 employees that have been hired by way of a labor union hiring hall
5 or its equivalent;

6 35 hours of employment per week at a qualified business facility
7 shall constitute one "full-time employee," regardless of whether or
8 not the hours of work were performed by one or more persons.

9 For any project located in a Garden State Growth Zone which
10 qualifies under the "Municipal Rehabilitation and Economic
11 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), or any
12 project located in the Atlantic City Tourism District as established
13 pursuant to section 5 of P.L.2011, c.18 (C.5:12-219) and regulated
14 by the Casino Reinvestment Development Authority, and which
15 will include a retail facility of at least 150,000 square feet, of which
16 at least 50 percent will be occupied by either a full-service
17 supermarket or grocery store, the authority shall accept a standard
18 of service generally accepted by custom or practice as full-time
19 employment in a supermarket, grocery store, or other like retail
20 industry.

21 "Full-time employee" shall not include any person who works as
22 an independent contractor or on a consulting basis for the business.

23 "Garden State Growth Zone" or "growth zone" means the four
24 New Jersey cities with the lowest median family income based on
25 the 2009 American Community Survey from the US Census, (Table
26 708. Household, Family, and Per Capita Income and Individuals,
27 and Families Below Poverty Level by City: 2009).

28 "Highlands development credit receiving area or redevelopment
29 area" means an area located within a qualified incentive area and
30 designated by the Highlands Council for the receipt of Highlands
31 Development Credits under the Highlands Transfer Development
32 Rights Program authorized pursuant to section 13 of P.L.2004,
33 c.120 (C.13:20-13).

34 "Incentive agreement" means the contract between the business
35 and the authority, which sets forth the terms and conditions under
36 which the business shall be eligible to receive the incentives
37 authorized pursuant to the program.

38 "Incentive effective date" means the date the authority issues a
39 tax credit based on documentation submitted by a business pursuant
40 to paragraph (1) of subsection b. of section 6 of P.L.2011, c.149
41 (C.34:1B-247).

42 "Major rail station" means a railroad station located within a
43 qualified incentive area which provides access to the public to a
44 minimum of six rail passenger service lines operated by the New
45 Jersey Transit Corporation.

46 "Mega project" means:

1 a. a qualified business facility located in a port district housing
2 a business in the logistics, manufacturing, energy, defense, or
3 maritime industries, either:

4 (1) having a capital investment in excess of \$20,000,000, and at
5 which more than 250 full-time employees of such business are
6 created or retained, or

7 (2) at which more than 1,000 full-time employees of such
8 business are created or retained;

9 b. a qualified business facility located in an aviation district
10 housing a business in the aviation industry, in a Garden State
11 Growth Zone, or in a priority area housing the United States
12 headquarters and related facilities of an automobile manufacturer,
13 either:

14 (1) having a capital investment in excess of \$20,000,000, and at
15 which more than 250 full-time employees of such business are
16 created or retained, or

17 (2) at which more than 1,000 full-time employees of such
18 business are created or retained; or

19 c. a qualified business facility located in an urban transit hub
20 housing a business of any kind, having a capital investment in
21 excess of \$50,000,000, and at which more than 250 full-time
22 employees of a business are created or retained.

23 "Minimum environmental and sustainability standards" means
24 standards established by the authority in accordance with the green
25 building manual prepared by the Commissioner of Community
26 Affairs pursuant to section 1 of P.L.2007, c.132 (C.52:27D-130.6),
27 regarding the use of renewable energy, energy-efficient technology,
28 and non-renewable resources in order to reduce environmental
29 degradation and encourage long-term cost reduction.

30 "Moderate-income housing" means housing affordable,
31 according to United States Department of Housing and Urban
32 Development or other recognized standards for home ownership
33 and rental costs, and occupied or reserved for occupancy by
34 households with a gross household income equal to more than 50
35 percent but less than 80 percent of the median gross household
36 income for households of the same size within the housing region in
37 which the housing is located.

38 "Municipal Revitalization Index" means the 2007 index by the
39 Office for Planning Advocacy within the Department of State
40 measuring or ranking municipal distress.

41 "New full-time job" means an eligible position created by the
42 business at the qualified business facility that did not previously
43 exist in this State. For the purposes of determining a number of
44 new full-time jobs, the eligible positions of an affiliate shall be
45 considered eligible positions of the business.

46 "Other eligible area" means the portions of the qualified
47 incentive area that are not located within a distressed municipality,
48 or the priority area.

1 "Partnership" means an entity classified as a partnership for
2 federal income tax purposes.

3 "Port district" means the portions of a qualified incentive area
4 that are located within:

5 a. the port district of the Port Authority of New York and New
6 Jersey, as defined in Article II of the Compact Between the States
7 of New York and New Jersey of 1921; or

8 b. a 15-mile radius of the outermost boundary of each marine
9 terminal facility established, acquired, constructed, rehabilitated, or
10 improved by the South Jersey Port District established pursuant to
11 "The South Jersey Port Corporation Act," P.L.1968, c.60
12 (C.12:11A-1 et seq.).

13 "Priority area" means the portions of the qualified incentive area
14 that are not located within a distressed municipality and which:

15 a. are designated pursuant to the "State Planning Act,"
16 P.L.1985, c.398 (C.52:18A-196 et seq.), as Planning Area 1
17 (Metropolitan), Planning Area 2 (Suburban), a designated center
18 under the State Development and Redevelopment Plan, or a
19 designated growth center in an endorsed plan until June 30, 2013, or
20 until the State Planning Commission revises and readopts New
21 Jersey's State Strategic Plan and adopts regulations to revise this
22 definition;

23 b. intersect with portions of: a deep poverty pocket, a port
24 district, or federally-owned land approved for closure under a
25 federal Base Realignment Closing Commission action;

26 c. are the proposed site of a disaster recovery project, a
27 qualified incubator facility, a highlands development credit
28 receiving area or redevelopment area, a tourism destination project,
29 or transit oriented development; or

30 d. contain: a vacant commercial building having over 400,000
31 square feet of office, laboratory, or industrial space available for
32 occupancy for a period of over one year; or a site that has been
33 negatively impacted by the approval of a "qualified business
34 facility," as defined pursuant to section 2 of P.L.2007, c.346
35 (C.34:1B-208).

36 "Professional employer organization" means an employee leasing
37 company registered with the Department of Labor and Workforce
38 Development pursuant to P.L.2001, c.260 (C.34:8-67 et seq.).

39 "Program" means the "Grow New Jersey Assistance Program"
40 established pursuant to section 3 of P.L.2011, c.149 (C.34:1B-244).

41 "Qualified business facility" means any building, complex of
42 buildings or structural components of buildings, and all machinery
43 and equipment located within a qualified incentive area, used in
44 connection with the operation of a business that is not engaged in
45 final point of sale retail business at that location unless the building,
46 complex of buildings or structural components of buildings, and all
47 machinery and equipment located within a qualified incentive area,
48 are used in connection with the operation of:

- 1 a. a final point of sale retail business located in a Garden State
2 Growth Zone that will include a retail facility of at least 150,000
3 square feet, of which at least 50 percent is occupied by either a full-
4 service supermarket or grocery store; **【or】**
- 5 b. a tourism destination project located in the Atlantic City
6 Tourism District as established pursuant to section 5 of P.L.2011,
7 c.18 (C.5:12-219); or
- 8 c. a construction project under section 3 of P.L.2011, c.176
9 (C.18A:36C-3) located in a Garden State Growth Zone.
- 10 "Qualified incentive area" means:
- 11 a. an aviation district;
- 12 b. a port district;
- 13 c. a distressed municipality or urban transit hub municipality;
- 14 d. an area (1) designated pursuant to the "State Planning Act,"
15 P.L.1985, c.398 (C.52:18A-196 et seq.), as:
- 16 (a) Planning Area 1 (Metropolitan);
- 17 (b) Planning Area 2 (Suburban); or
- 18 (c) Planning Area 3 (Fringe Planning Area);
- 19 (2) located within a smart growth area and planning area
20 designated in a master plan adopted by the New Jersey
21 Meadowlands Commission pursuant to subsection (i) of section 6 of
22 P.L.1968, c.404 (C.13:17-6) or subject to a redevelopment plan
23 adopted by the New Jersey Meadowlands Commission pursuant to
24 section 20 of P.L.1968, c.404 (C.13:17-21);
- 25 (3) located within any land owned by the New Jersey Sports and
26 Exposition Authority, established pursuant to P.L.1971, c.137
27 (C.5:10-1 et seq.), within the boundaries of the Hackensack
28 Meadowlands District as delineated in section 4 of P.L.1968, c.404
29 (C.13:17-4);
- 30 (4) located within a regional growth area, town, village, or a
31 military and federal installation area designated in the
32 comprehensive management plan prepared and adopted by the
33 Pinelands Commission pursuant to the "Pinelands Protection Act,"
34 P.L.1979, c.111 (C.13:18A-1 et seq.);
- 35 (5) located within the planning area of the Highlands Region as
36 defined in section 3 of P.L.2004, c.120 (C.13:20-3) or a highlands
37 development credit receiving area or redevelopment area;
- 38 (6) located within a Garden State Growth Zone;
- 39 (7) located within land approved for closure under any federal
40 Base Closure and Realignment Commission action; or
- 41 (8) located only within the following portions of the areas
42 designated pursuant to the "State Planning Act," P.L.1985, c.398
43 (C.52:18A-196 et al.), as Planning Area 4A (Rural Planning Area),
44 Planning Area 4B (Rural/Environmentally Sensitive) or Planning
45 Area 5 (Environmentally Sensitive) if Planning Area 4A (Rural
46 Planning Area), Planning Area 4B (Rural/Environmentally
47 Sensitive) or Planning Area 5 (Environmentally Sensitive) is
48 located within:

- 1 (a) a designated center under the State Development and
2 Redevelopment Plan;
- 3 (b) a designated growth center in an endorsed plan until the
4 State Planning Commission revises and readopts New Jersey's State
5 Strategic Plan and adopts regulations to revise this definition as it
6 pertains to Statewide planning areas;
- 7 (c) any area determined to be in need of redevelopment pursuant
8 to sections 5 and 6 of P.L.1992, c.79 (C.40A:12A-5 and 40A:12A-
9 6) or in need of rehabilitation pursuant to section 14 of P.L.1992,
10 c.79 (C.40A:12A-14);
- 11 (d) any area on which a structure exists or previously existed
12 including any desired expansion of the footprint of the existing or
13 previously existing structure provided such expansion otherwise
14 complies with all applicable federal, State, county, and local
15 permits and approvals;
- 16 (e) the planning area of the Highlands Region as defined in
17 section 3 of P.L.2004, c.120 (C.13:20-3) or a highlands
18 development credit receiving area or redevelopment area; or
- 19 (f) any area on which an existing tourism destination project is
20 located.
- 21 "Qualified incentive area" shall not include any property located
22 within the preservation area of the Highlands Region as defined in
23 the "Highlands Water Protection and Planning Act," P.L.2004,
24 c.120 (C.13:20-1 et al.).
- 25 "Qualified incubator facility" means a commercial building
26 located within a qualified incentive area: which contains 100,000 or
27 more square feet of office, laboratory, or industrial space; which is
28 located near, and presents opportunities for collaboration with, a
29 research institution, teaching hospital, college, or university; and
30 within which, at least 75 percent of the gross leasable area is
31 restricted for use by one or more technology startup companies
32 during the commitment period.
- 33 "Retained full-time job" means an eligible position that currently
34 exists in New Jersey and is filled by a full-time employee but
35 which, because of a potential relocation by the business, is at risk of
36 being lost to another state or country, or eliminated. For the
37 purposes of determining a number of retained full-time jobs, the
38 eligible positions of an affiliate shall be considered eligible
39 positions of the business.
- 40 "SDA district" means an SDA district as defined in section 3 of
41 P.L.2000, c.72 (C.18A:7G-3).
- 42 "SDA municipality" means a municipality in which an SDA
43 district is situate.
- 44 "Targeted industry" means any industry identified from time to
45 time by the authority including initially, a transportation,
46 manufacturing, defense, energy, logistics, life sciences, technology,
47 health, and finance business, but excluding a primarily warehouse
48 or distribution business.

1 "Technology startup company" means a for profit business that
2 has been in operation fewer than five years and is developing or
3 possesses a proprietary technology or business method of a high-
4 technology or life science-related product, process, or service which
5 the business intends to move to commercialization.

6 "Tourism destination project" means a qualified business facility
7 that will be among the most visited privately owned or operated
8 tourism or recreation sites in the State, and which is located within
9 the qualified incentive area and has been determined by the
10 authority to be in an area appropriate for development and in need
11 of economic development incentive assistance.

12 "Transit oriented development" means a qualified business
13 facility located within a 1/2-mile radius, or one-mile radius for
14 projects located in a Garden State Growth Zone, surrounding the
15 mid-point of a New Jersey Transit Corporation, Port Authority
16 Transit Corporation, or Port Authority Trans-Hudson Corporation
17 rail, bus, or ferry station platform area, including all light rail
18 stations.

19 "Urban transit hub" means an urban transit hub, as defined in
20 section 2 of P.L.2007, c.346 (C.34:1B-208), that is located within
21 an eligible municipality, as defined in section 2 of P.L.2007, c.346
22 (C.34:1B-208) and also located within a qualified incentive area.

23 "Urban transit hub municipality" means a municipality: a. which
24 qualifies for State aid pursuant to P.L.1978, c.14 (C.52:27D-178 et
25 seq.), or which has continued to be a qualified municipality
26 thereunder pursuant to P.L.2007, c.111; and b. in which 30 percent
27 or more of the value of real property was exempt from local
28 property taxation during tax year 2006. The percentage of exempt
29 property shall be calculated by dividing the total exempt value by
30 the sum of the net valuation which is taxable and that which is tax
31 exempt.

32 (cf: P.L.2013, c.161, s.7)]¹

33
34 ¹[7. Section 3 of P.L.2011, c.149 (C.34:1B-244) is amended to
35 read as follows:

36 3. a. The Grow New Jersey Assistance Program is hereby
37 established as a program under the jurisdiction of the New Jersey
38 Economic Development Authority and shall be administered by the
39 authority. The purpose of the program is to encourage economic
40 development and job creation and to preserve jobs that currently
41 exist in New Jersey but which are in danger of being relocated
42 outside of the State. To implement this purpose, the program may
43 provide tax credits to eligible businesses for an eligibility period not
44 to exceed 10 years.

45 To be eligible for any tax credits pursuant to P.L.2011, c.149
46 (C.34:1B-242 et al.), a business's chief executive officer or
47 equivalent officer shall demonstrate to the authority, at the time of
48 application, that:

1 (1) the business, expressly including its landlord or seller, will
2 make, acquire, or lease a capital investment equal to, or greater
3 than, the applicable amount set forth in subsection b. of this section
4 at a qualified business facility at which it will:

5 (a) retain full-time jobs in an amount equal to or greater than the
6 applicable number set forth in subsection c. of this section;

7 (b) create new full-time jobs in an amount equal to or greater
8 than the applicable number set forth in subsection c. of this section;
9 or

10 (c) in combination, retain full-time jobs and create new full-time
11 jobs in an amount equal to or greater than the applicable number set
12 forth in subsection c. of this section;

13 (2) the qualified business facility shall be constructed in
14 accordance with the minimum environmental and sustainability
15 standards;

16 (3) the capital investment resultant from the award of tax credits
17 and the resultant retention and creation of full-time jobs will yield a
18 net positive benefit to the State, equaling at least 110 percent of the
19 requested tax credit allocation amount, which determination is
20 calculated prior to taking into account the value of the requested tax
21 credit and shall be based on the benefits generated during the first
22 20 years following the completion of the project, except that for a
23 mega project or a project located in a Garden State Growth Zone,
24 the determination shall be based on the benefits generated during a
25 period of up to 30 years following the completion of the project, as
26 determined by the authority, and except that, for a project located in
27 a Garden State Growth Zone which qualified for the "Municipal
28 Rehabilitation and Economic Recovery Act," P.L.2002, c.43
29 (C.52:27BBB-1 et al.), the net positive benefit determination shall
30 be based on the benefits generated during a period of up to 35 years
31 following completion of the project, as determined by the authority,
32 and shall equal at least 100 percent of the requested tax credit
33 allocation amount and may utilize the value of those property taxes
34 subject to the provisions of section 24 of P.L.2013 c.161
35 (C.52:27D-489r) and incremental sales and excise taxes that are
36 derived from activities within the area and which are rebated or
37 retained by the municipality pursuant to the "New Jersey Urban
38 Enterprise Zones Act," P.L.1983, c.303 (C.52:27H-60 et seq.) or
39 any other law providing for such rebate or retention; and

40 (4) except as provided in subsection f. of this section, the award
41 of tax credits will be a material factor in the business's decision to
42 create or retain the minimum number of new or retained full-time
43 jobs for eligibility under the program.

44 With respect to the provisions of paragraph (3) of this
45 subsection, in the case of a project located in a Garden State
46 Growth Zone, the authority, in its discretion, may award bonuses in
47 its net positive benefit calculation.

1 A construction project under section 3 of P.L.2011, c.176
2 (C.18A:36C-3) located in a Garden State Growth Zone shall not be
3 subject to the requirements that the application and award of any
4 tax credits, grants, or other benefits provided under P.L.2011, c.149
5 (C.34:1B-242 et al.) be provided prior to the commencement of the
6 construction project.

7 b. The minimum capital investment required to be eligible
8 under this program shall be as follows:

9 (1) for the rehabilitation, improvement, fit-out, or retrofit of an
10 existing industrial premises for continued industrial use by the
11 business, a minimum investment of \$20 per square foot of gross
12 leasable area;

13 (2) for the new construction of an industrial premises for
14 industrial use by the business, a minimum investment of \$60 per
15 square foot of gross leasable area;

16 (3) for the rehabilitation, improvement, fit-out, or retrofit of an
17 existing non-industrial premises for continued non-industrial use by
18 the business, a minimum investment of \$40 per square foot of gross
19 leasable area; and

20 (4) for the new construction of a non-industrial premises for
21 non-industrial use by the business, a minimum investment of \$120
22 per square foot of gross leasable area.

23 The minimum capital investment required by this subsection
24 shall be reduced by one-third for projects located in a Garden State
25 Growth Zone or projects located within Atlantic, Burlington,
26 Camden, Cape May, Cumberland, Gloucester, Ocean, or Salem
27 counties.

28 c. The minimum number of new or retained full-time jobs
29 required to be eligible under this program shall be as follows:

30 (1) for a business that is a technology startup company or a
31 manufacturing company, a minimum of 10 new or 25 retained full-
32 time jobs;

33 (2) for a business engaged primarily in a targeted industry other
34 than a technology startup company or a manufacturing company, a
35 minimum of 25 new or 35 retained full-time jobs; and

36 (3) for any other business, a minimum of 35 new or 50 retained
37 full-time jobs.

38 The minimum number of new or retained full-time jobs required
39 by this subsection shall be reduced by one-quarter for projects
40 located in a Garden State Growth Zone or projects located within
41 Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester,
42 Ocean, or Salem counties.

43 d. To assist the authority in determining whether a proposed
44 capital investment will yield a net positive benefit, the business's
45 chief executive officer, or equivalent officer, shall submit a
46 certification to the authority indicating: (1) that any existing full-
47 time jobs are at risk of leaving the State or being eliminated; (2)
48 that any projected creation or retention, as applicable, of new full-

1 time jobs would not occur but for the provision of tax credits under
2 the program; and (3) that the business's chief executive officer, or
3 equivalent officer, has reviewed the information submitted to the
4 authority and that the representations contained therein are accurate,
5 provided however, that in satisfaction of the provisions of
6 paragraphs (1) and (2) of this subsection, the certification with
7 respect to a project in a Garden State Growth Zone that qualifies
8 under the "Municipal Rehabilitation and Economic Recovery Act,"
9 P.L.2002, c.43 (C.52:27BBB-1 et al.), shall indicate that **[.]** the
10 provision of tax credits under the program is a material factor in the
11 business decision to make a capital investment and locate in a
12 Garden State Growth Zone that qualifies under the "Municipal
13 Rehabilitation and Economic Recovery Act," P.L.2002, c.43
14 (C.52:27BBB-1 et al.), and provided further that in satisfaction of
15 the provisions of paragraphs (1) and (2) of this subsection, the
16 certification with respect to a construction project under section 3
17 of P.L.2011, c.176 (C.18A:36C-3) in a Garden State Growth Zone
18 shall indicate that the provision of tax credits under the program is a
19 material factor in the business decision to make a capital investment
20 or, in the event construction commenced prior to the application for
21 tax credits being filed, a material factor to the business's ability to
22 complete the project. In the event that this certification by the
23 business's chief executive officer, or equivalent officer, is found to
24 be willfully false, the authority may revoke any award of tax credits
25 in their entirety, which revocation shall be in addition to any other
26 criminal or civil penalties that the business and the officer may be
27 subject to. When considering an application involving intra-State
28 job transfers, the authority shall require the business to submit the
29 following information as part of its application: a full economic
30 analysis of all locations under consideration by the business; all
31 lease agreements, ownership documents, or substantially similar
32 documentation for the business's current in-State locations; and all
33 lease agreements, ownership documents, or substantially similar
34 documentation for the potential out-of-State location alternatives, to
35 the extent they exist. Based on this information, and any other
36 information deemed relevant by the authority, the authority shall
37 independently verify and confirm, by way of making a factual
38 finding by separate vote of the authority's board, the business's
39 assertion that the jobs are actually at risk of leaving the State, and
40 as to the date or dates at which the authority expects that those jobs
41 would actually leave the State, or, with respect to projects located in
42 a Garden State Growth Zone that qualifies under the "Municipal
43 Rehabilitation and Economic Recovery Act," P.L.2002, c.43
44 (C.52:27BBB-1 et al.), the business's assertion that the provision of
45 tax credits under the program is a material factor in the business's
46 decision to make a capital investment and locate in a Garden State
47 Growth Zone that qualifies under the "Municipal Rehabilitation and
48 Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), or

1 with respect to a construction project under section 3 of P.L.2011,
2 c.176 (C.18A:36C-3) in a Garden State Growth Zone, the business's
3 assertion that the provision of tax credits under the program is a
4 material factor in the business decision to make a capital
5 investment, or in the event construction commenced prior to the
6 application for tax credits being filed, a material factor to the
7 business's ability to complete the project, before a business may be
8 awarded any tax credits under this section.

9 e. A project that consists solely of point-of-final-purchase
10 retail facilities shall not be eligible for a grant of tax credits. If a
11 project consists of both point-of-final-purchase retail facilities and
12 non-retail facilities, only the portion of the project consisting of
13 non-retail facilities shall be eligible for a grant of tax credits. In a
14 Garden State Growth Zone or the Atlantic City Tourism District as
15 established pursuant to section 5 of P.L.2011, c.18 (C.5:12-219) and
16 regulated by the Casino Reinvestment Development Authority, up
17 to 7.5 percent of retail facilities included in a mixed use project
18 shall be eligible for a grant of tax credits along with the non-retail
19 facilities. If a warehouse facility is part of a point-of-final-purchase
20 retail facility and supplies only that facility, the warehouse facility
21 shall not be eligible for a grant of tax credits. For the purposes of
22 this section, a retail facility of at least 150,000 square feet, of which
23 at least 50 percent is occupied by a full-service supermarket or
24 grocery store, located in a Garden State Growth Zone which
25 qualified under the "Municipal Rehabilitation and Economic
26 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), or a tourism
27 destination project in the Atlantic City Tourism District as
28 established pursuant to section 5 of P.L.2011, c.18 (C.5:12-219), or
29 catalog distribution centers shall not be considered point-of-final-
30 purchase retail facilities.

31 f. (1) The authority may determine as eligible for tax credits
32 under the program any business that is required to respond to a
33 request for proposals and to fulfill a contract with the federal
34 government although the business's chief executive officer or
35 equivalent officer has not demonstrated to the authority that the
36 award of tax credits will be a material factor in the business's
37 decision to retain the minimum number of retained full-time jobs, as
38 otherwise required by this section. The authority may, in its
39 discretion, consider the economic benefit of the retained jobs
40 servicing the contract in conducting a net benefit analysis required
41 by paragraph (4) of subsection a. of this section. For the purposes
42 of this subsection, "retained full-time jobs" includes jobs that are at
43 risk of being eliminated. Applications to the authority for eligibility
44 under the program pursuant to the criteria set forth in this
45 subsection shall be completed by December 31, 2013. Submission
46 of a proposal to the federal government prior to authority approval
47 shall not disqualify a business from the program.

(2) The authority may determine as eligible for tax credits under the program a construction project under section 3 of P.L.2011, c.176 (C.18A:36C-3) located in a Garden State Growth Zone. The project shall not be subject to the requirements that the application and award of any tax credits, grants, or other benefits provided under P.L.2011, c.149 (C.34:1B-242 et al.) be provided prior to the commencement of the construction project.

g. Nothing shall preclude a business from applying for tax credits under the program for more than one project pursuant to one or more applications.

(cf: P.L.2013, c.161, s.8)]¹

¹[8.] ²[6.¹] 5.² (New section) Notwithstanding the provisions of subsection e. of section 7 of P.L.2011, c.176 (C.18A:36C-7) to the contrary, if after approval, a renaissance school project is located in a temporary facility pending completion of the newly constructed facility or substantially reconstructed facility, the renaissance school project shall be funded pursuant to subsection b. of section 12 of P.L.1995, c.426 (C.18A:36A-12) until it has obtained final site plan approval for the newly constructed facility or begun construction on the facility to be substantially reconstructed, provided that a renaissance school project shall not be located in a temporary facility for more than three years.

¹[9.] ²[7.¹] (New section) a. An employee of a school district under the Teachers' Pension and Annuity Fund (TPAF) or Public Employees' Retirement System (PERS) that elects to provide the benefits authorized under this section who:

is at least 50 years of age and has at least 25 years, or at least 60 years of age and has at least 20 but less than 25 years, of service credit under the PERS or the TPAF;

files an application to retire within one month after the effective date of the resolution adopted by the governing body of the employee's employer pursuant to subsection c. of this section; and

retires under the retirement system within two months after the effective date of the resolution,

other than a veteran who retires on a special veteran's retirement, shall receive an additional three years of service credit under PERS or TPAF. If a member of the PERS or TPAF is under age 55 at the time of retirement, the member's retirement allowance shall not be reduced.

For a member of the PERS or the TPAF who is at least age 60 with at least 20 but less than 25 years of service credit, the employer shall pay an additional pension of \$500 per month in each of the 24 months following the date of retirement¹, except that the additional pension shall not be paid to any member who upon retirement is eligible for fully paid health care benefits under

1 section 3 of P.L.1987, c.384 (C.52:14-17.32f) or section 2 of
2 P.L.1992, c.126 (C.52:14-17.32f1)¹.

3 An employee who meets the age and service credit requirements
4 and retires on a special veteran's retirement under the PERS or
5 TPAF shall receive an additional pension under the retirement
6 system in the amount of 3/55 of the compensation upon which the
7 retirement allowance is based.

8 The additional retirement benefit under this section is applicable
9 only to the employment with the employer that elects to provide the
10 benefits authorized under this section and from which the employee
11 retires to receive the benefit and the compensation for that
12 employment.

13 The school district shall be responsible for the full cost of health
14 care benefits in retirement provided under section 3 of P.L.1987,
15 c.384 (C.52:14-17.32f) and section 2 of P.L.1992, c.126 (C.52:14-
16 17.32f1) for each employee who is eligible for such benefits and
17 retiring under the provisions of this section for a period of three
18 years following the employee's retirement, except that each
19 employee retiring under this section who would have had to
20 contribute to the cost of health care benefits coverage pursuant to
21 subsection b. of section 40 of P.L.2011, c.78 (C.52:14-17.28d) and
22 section 77 of P.L.2011, c.78 (C.52:14-17.28e) upon retirement shall
23 be required to make that contribution after retirement under this
24 section if eligible for such coverage.

25 b. For an employee of a school district under the PERS or
26 TPAF that elects to provide the benefits authorized under this
27 section who:

28 is at least 60 years of age and has at least 10, but less than 20,
29 years of service credit under the PERS or the TPAF;

30 files an application to retire within one month after the effective
31 date of the resolution adopted by the governing body of the
32 employee's employer pursuant to subsection c. of this section; and

33 retires under the retirement system within two months after the
34 effective date of the resolution, the employer shall pay an additional
35 pension of \$500 per month in each of the 24 months following the
36 date of retirement.

37 c. An employer may elect to provide the benefits under this
38 section by the adoption of a resolution by the governing body,
39 which is to be effective on July 1, within one year of the effective
40 date of this section and the filing of a certified copy of the
41 resolution with the Director of the Division of Pensions and
42 Benefits within three business days after its adoption. The
43 governing body may elect to provide the benefits under this section
44 one time only and the effective date of the resolution shall fall
45 within the 15-month period following the effective date of this
46 section. The employer shall submit to the director any information
47 necessary to provide the benefits or to determine the liability for
48 them.

1 d. The actuaries for the PERS and TPAF shall determine the
2 liability of the retirement systems for the additional service credit or
3 pensions provided under this section and for the early retirement of
4 employees in accordance with the tables of actuarial assumptions
5 adopted by the board of trustees of the retirement systems.

6 For PERS, this liability shall be paid by the employer in level
7 annual payments over a period of 15 years as provided for the
8 unfunded accrued liability of the retirement system under section 24
9 of P.L.1954, c.84 (C.43:15A-24).

10 For TPAF, this liability shall be paid by the employer in level
11 annual payments over a period of 15 years as provided for the
12 unfunded accrued liability of the retirement system under
13 N.J.S.18A:66-18.

14 The retirement systems shall annually certify to each employer
15 the contributions due to the contingent reserve fund for the liability
16 under this section. The contributions certified by the retirement
17 systems shall be paid by the employer to the retirement systems on
18 or before the date prescribed by law for payment of employer
19 contributions for basic retirement benefits. If payment of the full
20 amount of the contribution certified is not made within 30 days
21 after the last date for payment of employer contributions for basic
22 retirement benefits, interest at the rate of 10% per year shall be
23 assessed against the unpaid balance on the first day after the
24 thirtieth day.

25 The employer shall pay the cost of the actuarial work to
26 determine the additional liability of the retirement systems for the
27 benefits under this section and that cost shall be included in the
28 initial contribution required from the employer.

29 e. An employee who receives a benefit under this section shall
30 forfeit all tenure rights.

31 f. When the needs of a school board require the services of an
32 employee who elects to retire and receive a benefit under this
33 section, the school board may delay, with the consent of the
34 employee, the effective retirement date of the employee until the
35 first day of any calendar month after the second month after the
36 effective date of the resolution adopted by the governing body of
37 the employer pursuant to subsection c. this section but not later than
38 one year after that two-month period. A delay in the effective
39 retirement date of an employee shall not extend the dates set forth
40 in sections a. and b. of this section to qualify for benefits under this
41 section.

42 For a member of the PERS or TPAF whose effective retirement
43 date is delayed under this section and who dies before the
44 retirement becomes effective, the retirement shall be effective as of
45 the first day of the month after the date of death of the member if
46 the member's surviving beneficiary requests in writing to the board
47 of trustees of the retirement system that the retirement be effective

1 under the option settlement selected by the member, or under
2 Option 3 if the member did not select an option.

3 g. An employee purchasing service credit on or after the
4 effective date of this section to qualify for a benefit under this
5 section may purchase a portion of the credit that the employee is
6 eligible to purchase.

7 h. For the purposes of this section:

8 “School district” means a ¹ **“failing district”** “renaissance
9 school district”¹ as defined in section 3 of P.L.2011, c.176
10 (C.18A:36C-3) ¹which is in a municipality that is subject to the
11 “Municipal Rehabilitation and Economic Recovery Act,” P.L.2002,
12 c.43 (C.52:27BBB-1 et al.)¹.

13 i. Prior to the end of the one-year period following the
14 effective date of this section, as appropriate, each employer covered
15 by the provisions of this section shall meet and consult with the
16 representatives of the bargaining unit or units representing the
17 employees who would be eligible for benefits under this section.

18 j. The Director of the Division of Pensions and Benefits may
19 promulgate rules and regulations that the director deems necessary
20 for the effective implementation of this section.**】**²

21

22 ¹**【10.】** ²**【8.1】** 6.² This act shall take effect immediately.